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ITIL 4: A Quick Guide

Understand ITIL 4 in 60 Minutes

Contents

What's New In ITIL 4?

In ITIL 4, processes became practices, because capabilities are built on a number of elements—not just processes.

What is ITIL?

ITIL - the IT Infrastructure Library is a set of publications capturing best practice for IT service management (ITSM). ITIL is the dominant framework for ITSM - with 5,000,000+ certified practitioners. It provides guidelines on how organizations can evolve the way they plan, deliver, measure, and improve IT services and support.

What is ITIL 4?

ITIL 4 is the most recent update of ITIL - with the Foundation volume published in February 2019, followed by detailed volumes across 2019/2020. Unlike ITIL 3, where the publication of the entire library was held back for a single big bang launch, the release of ITIL 4 was staggered so that practitioners could benefit from content earlier - a more agile approach.

Why has ITIL been updated?

Much has changed in business and ITSM in the 8 years since the ITIL 2011 update. IT has become more critical to organizations across the globe. Technology is redefi ning what businesses offer their customers and how they do business. For an organization to compete, IT needs to be equipped to deliver new services faster than ever.

Compelled to accelerate innovation, IT teams are forced to adopt new ways of thinking and working - like DevOps, Agile, Lean IT, IT4IT, SIAM, and others. The challenge for the ITIL 4 refresh has been to work out how these practices fold into (or interface with) ITIL to create harmony and encourage collaboration.

ITIL 1
1980s

ITIL 2
2001

ITIL 3
2007

ITIL
2011

ITIL 4
2019
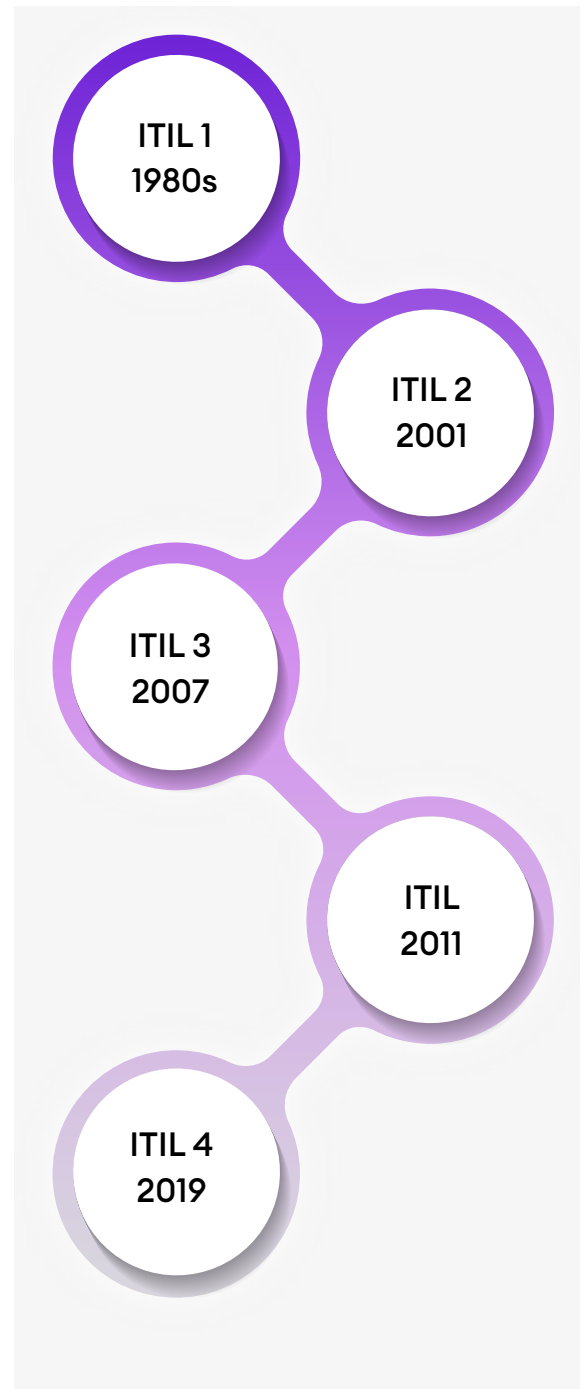
New tech has also emerged in the last decade: cloud, hybrid IT, automation, virtualization, containerization, microservices, IoT, big data, AI/machine learning, and more. These are impacting the way IT services are conceived, planned, architected, deployed, operated, and supported.

Together, these forces have driven a change in what service excellence looks like, and how IT teams make it happen.

FIND OUT MORE:

A Brief History of ITIL

https://info.axiossystems.com/blog/itil4-the-evolution-of-processes

How Is ITIL 4 Different?

ITIL 4 is not a wholesale replacement of ITIL 3; it is an evolution. Many practices found in the ITIL 2 and ITIL 3 books are still relevant to organizations today.

However, ITIL 4 expands the ITIL body of knowledge to cover new challenges - such as how does ITIL mesh with practices such as Agile, DevOps, and Lean IT - disciplines which have found mainstream adoption in the last decade.

New Architecture

Structurally, ITIL 4 is different from ITIL 3. The old ITIL 3 Service Lifecycle Model (Service Strategy, Service Design, Service Transition, Service Operation, CSI) has been reshaped around a new **Service Value System (SVS)** architecture - based on the flow of value through a comprehensive system of service management capabilities.

New Focus

Where ITIL 2 was process-focused, and ITIL 3 was service focused, ITIL 4 is value focused - the **Service Value Chain** is the central operating model of the Service Value System. Axelos describes this as a "new holistic end-to-end view of service creation". This is the next evolution of ITIL - helping IT people align everything they do with business needs. ITIL 4 integrates what's happening in ITSM with other areas of IT and the business to drive more value creation, more quickly. It's about eliminating waste by keeping focus on valuecreation, resolving conflicts, and encouraging collaboration.

New Scope and Philosophy

To help drive this shift, ITIL 4 introduces some high-level considerations : The *4 Dimensions Of Service Management* and *7 Guiding Principles.*

Processes Are Now Practices

From a process perspective, ITIL 4 covers 34 areas, now referred to as *practices* instead of processes. Some of these have been adapted and carried over from ITIL 3. Some have a lineage that stretches back to ITIL 2 and beyond. Others are new to ITIL.

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assyst is easy to operate and maintain with drag-and-drop service design. ★★★★

What is the Service Value System (SVS)?

The Service Value System is the architecture of ITIL 4. It's a map of the main elements/capabilities you must have in place to run an efficient, effective, and agile ITSM organization.

It sets out, at a high level, everything you need to quickly respond to opportunities/demands - whether that's creating new services or simply getting end users back online. The components of the Service Value System help you create value now and in the future:

➡ **The 7 Guiding Principles -** To help people think, plan, and work in ways that are productive.

➡ **Governance -** To keep what IT does aligned with business goals. Continual Improvement - To make things better over time.

➡ **The Service Value Chain -** The operating model showing how components/activities work together.

➡ **Practices -** To manage the discrete capabilities that underpin ITSM (like Incident/Problem/Change).These practices must work together to deliver value across complex, multi-disciplinary value chains.

➡ **Continual Improvement -** To make things better over time.

All these components are important and all are inter-connected. Nothing stands in isolation in ITIL 4. An operating model without governance will quickly lose alignment with business needs. An operating model cannot function without practices. It won't get better without continual improvement. And it won't mature in the right direction without good guiding principles.


FIND OUT MORE: A Brief History of ITIL   *https://info.axiossystems.com/blog/itil4-the-evolution-of-processes*   ★★★★

Why Do I need The Service Value System?

Success requires a system. When you have a cohesive system in place, your organization is capable of achieving so much more. When you put effort into developing capabilities (and making them work together) you get better results, faster and cheaper. The specifi c goals of your service organization will change over time. A mature system - based on capabilities that have built-in
flexibility - will give IT the fl exibility to lead instead of always playing catch-up. With the Service Value System, success no longer happens by accident; it's repeatable by design.
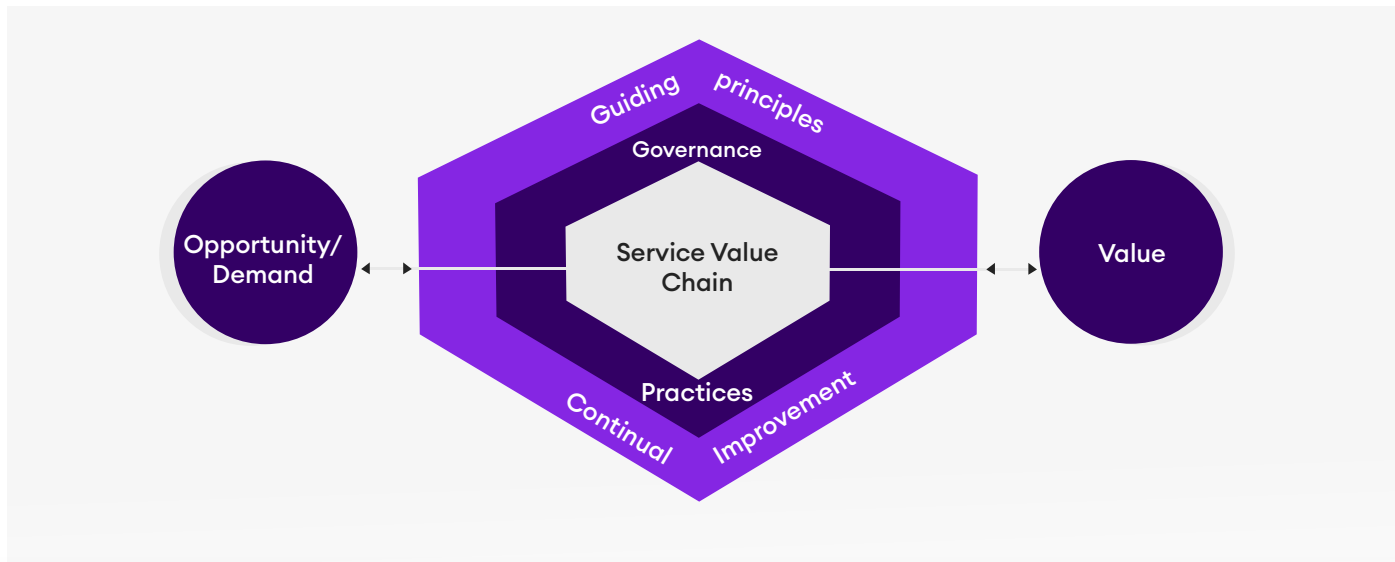
Service Value System: Opportunity/Demand

Opportunities and Demands are the inputs to the Service Value System.

These trigger a value chain (series of activities) within the system to create and delivery value–to either fulfil a customer demand or capitalize on an opportunity. Value creation and value delivery are both important. Value creation must be quick and efficient. Value delivery must be framed by a customer experience which meets expectations.

Demands are where customers have a need for something specifi c and well understood–they know what they want. Demands are customers "pulling" value from the service provider. They fall into one of three categories:

Value Demand

The customer needs something. This could be a product or a service. This is where a service catalog can deliver value.

Information

The customer needs to know something so they can plan, complete a task, or make a decision. Some information demands can be anticipated and handled pro-actively through push communication and/or a self-service portal. Other information demands will be new (often as a result of a change).

Failure Demand

Something went wrong and must be fixed - creating demand for help. Perhaps the mobile banking app is not working. Or the customer's car has broken down. Whatever the reason, customers will want to interact with the service desk through the channel of their choice to solve the issue.

Opportunities are the possibilities - the possibilities to create new products/services, transform the way work happens, or improve something that already exists. Opportunities improve the organization by creating new revenue streams, improving the customer experience, making employees more productive, reducing costs, or mitigating risks.
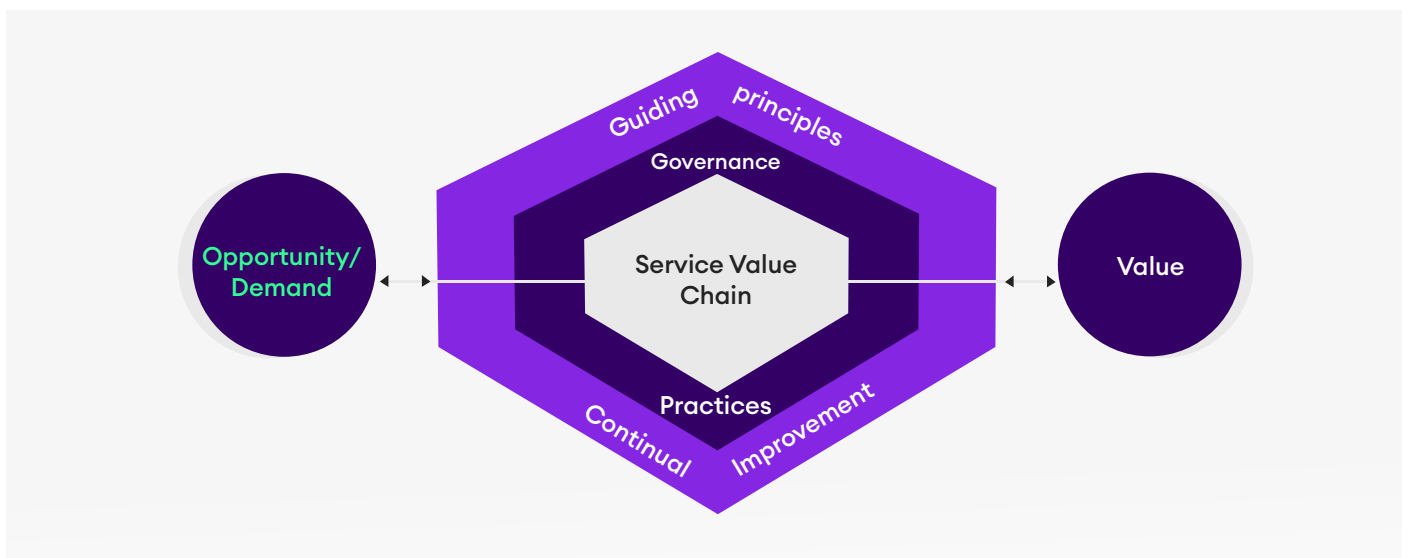
The difference between a demand and an opportunity is that an opportunity requires some innovation and change. Where demands can be handled by the current capabilities of the service organization, opportunities require some work to develop new value streams or transform the way things are done. An opportunity will trigger a project, require business analysis, involve engagement with multiple stakeholders, and follow an organizational change management plan to succeed in creating new value.

Whether the trigger is an opportunity or a demand, the Service Value System is there to support both - and the end result is always value delivered to the customer.

Service Value System: Guiding Principles

The 7 Guiding Principles of ITIL are the key messages of ITIL 4— helping to embed more productive ways of thinking and working into your organization.

They are designed to guide the culture, decisions and actions of ITSM leaders and practitioners so they can be more productive. Essentially, the 7 Guiding Principles encourage new ways of thinking.

The 7 Guiding Principles are:

Focus on value

Start where you are

Progress iteratively with feedback

Collaborate and promote visibility

Think and work holistically

Keep it simple and practical

Optimize and automate

These principles aren't new. They're influenced by ideas born in disciplines outside of service management (such as manufacturing and software development) but have now been proven in the service management context.

We will look at each of the 7 Guiding Principles of ITIL later. All you need to know now is that they are an important component of the Service Value System architecture.

Guiding principles

Governance

Service Value Chain

Practices

Continual Improvement

Opportunity/ Demand
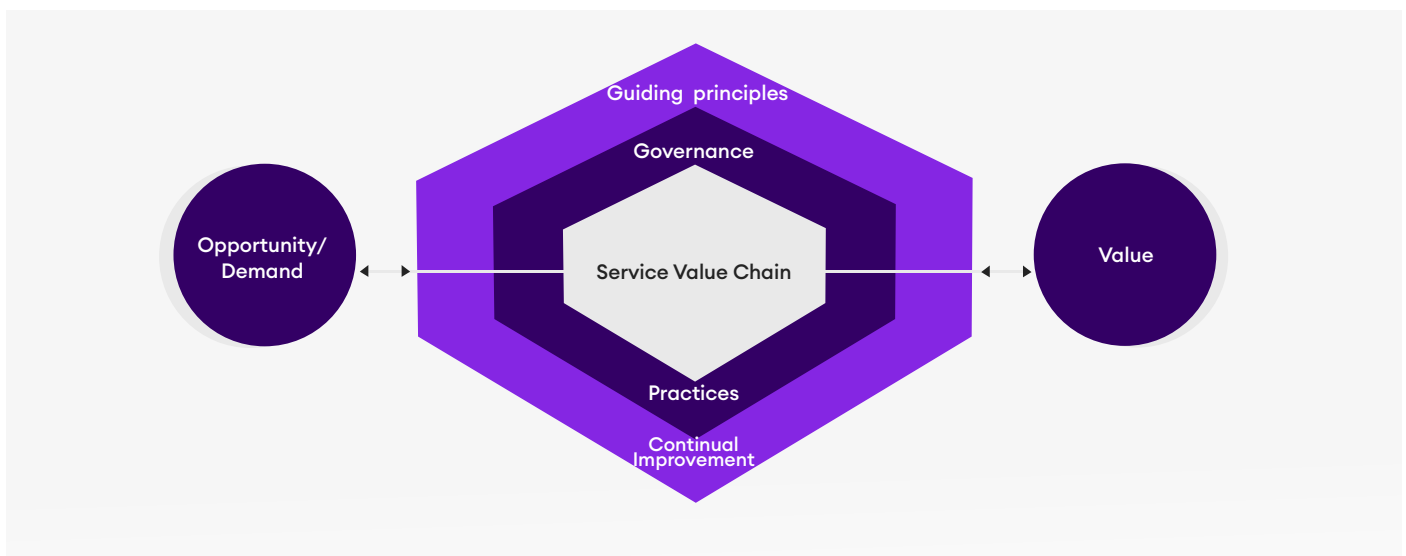
Value

Service Value System: Governance

Governance is all about aligning activity with your organization's objectives. The way in which governance is applied will depend on you governance culture.

The highest-level of governance lies with the board of directors or executive management. These are the people who perform the main governance activities–including evaluating, directing (through policysetting) and performance and compliance monitoring to define what good performance looks like. Monitoring enables intervention to fix any misalignments (which usually manifest as waste and poor performance).

Governance should be fluid–continually evaluating and adapting strategy to ensure it tracks changing business circumstances. Continual Improvement applies to service management at all levels– including governance.

The modern-day reality is that large organizations are often too complex for all governance activity to happen at the top of the organization–some governance activities must be delegated to lower levels to enable greater agility. For example, many organizations apply a organization-wide "cloud first" policy for technology buying to streamline the IT ecosystem and improve agility. In other cases,
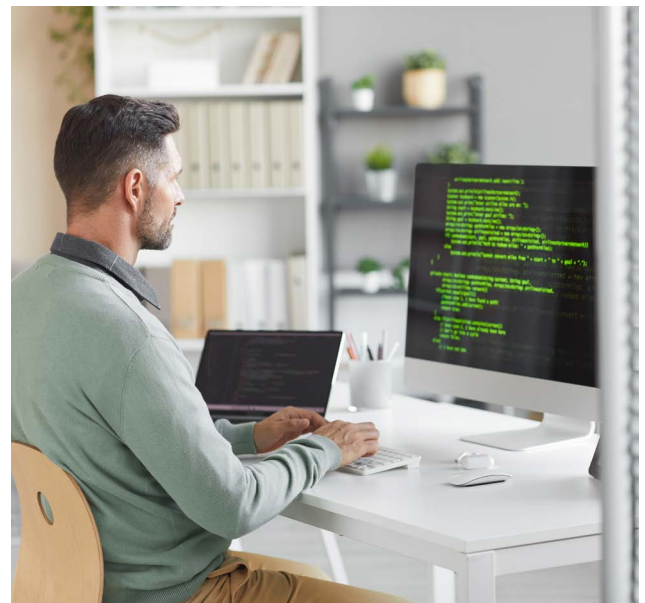
governance may be devolved to allow different regional groups to apply different strategies to serve the unique conditions of their local markets.

Governance is important to ensuring all elements of the Service Value System align with the organization's objectives.
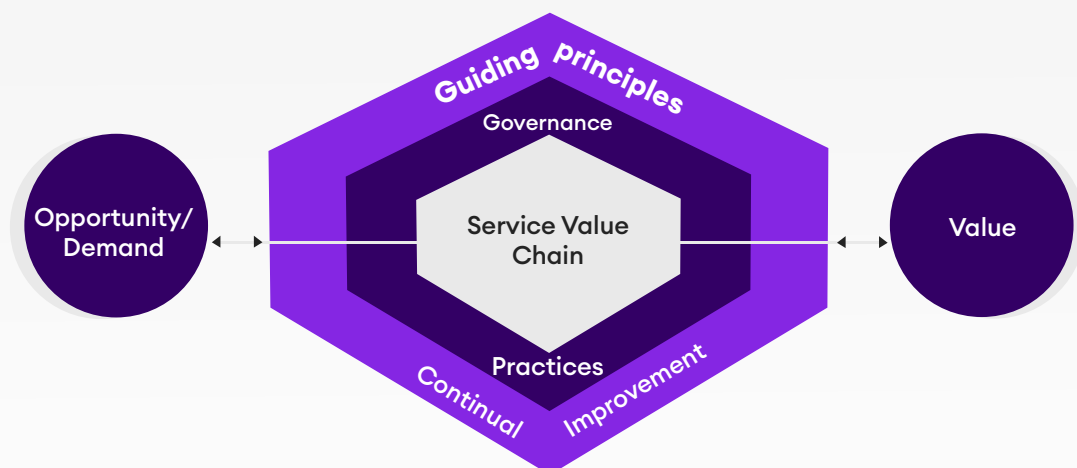
Service Value System: Service Value Chain

Where the Service Value System is the management model, the Service Value Chain (SVC) is the operating model—sitting at the core of the SVS.

It defines six key activity types onto which any value stream activity can be mapped–incident management, change management, service design, service lifecycle management. Anything.

The Service Value Chain is the operating model across which **Service Value Streams** flow from Demand/Opportunity to Value. You can think of the Service Value Chain as the railway network, and Service Value Streams as the trains that run on that network.

When we "zoom in" on the Service Value System (below) we see Service Value Chain and its six activities:

Plan	**Obtain / Build**
Engage	**Delivery & Support**
Design & Transition	**Improve**

Products & services aren't activities (which is why they feature in blue). They are the vehicles by which value is transferred to the customer.
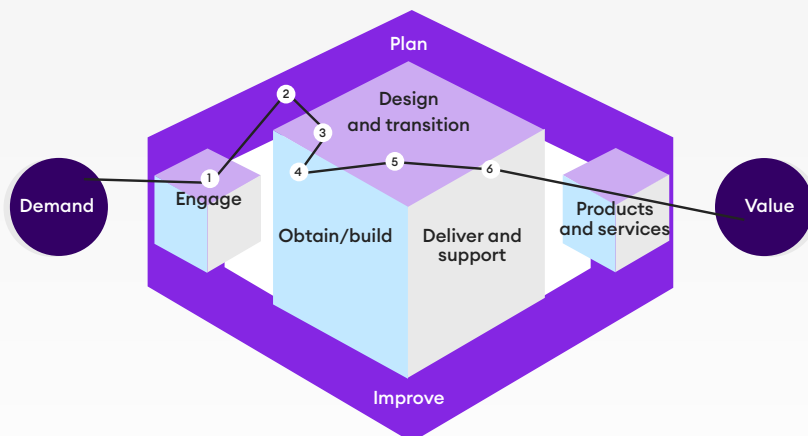
The Service Value Chain showing the flow of a simple Value Chain

Unlike the linear Service Lifecycle Model seen in ITIL 3, the Service Value Chain is flexible enough to map any path from Demand to Value, including traditional waterfall processes and iterative agile processes. Service providers can delivery early value to customers with a Minimum Viable Service (MVS) and then iterate to provide incremental value increases over time. Flexibility is built into the fabric of the Service Value Chain.
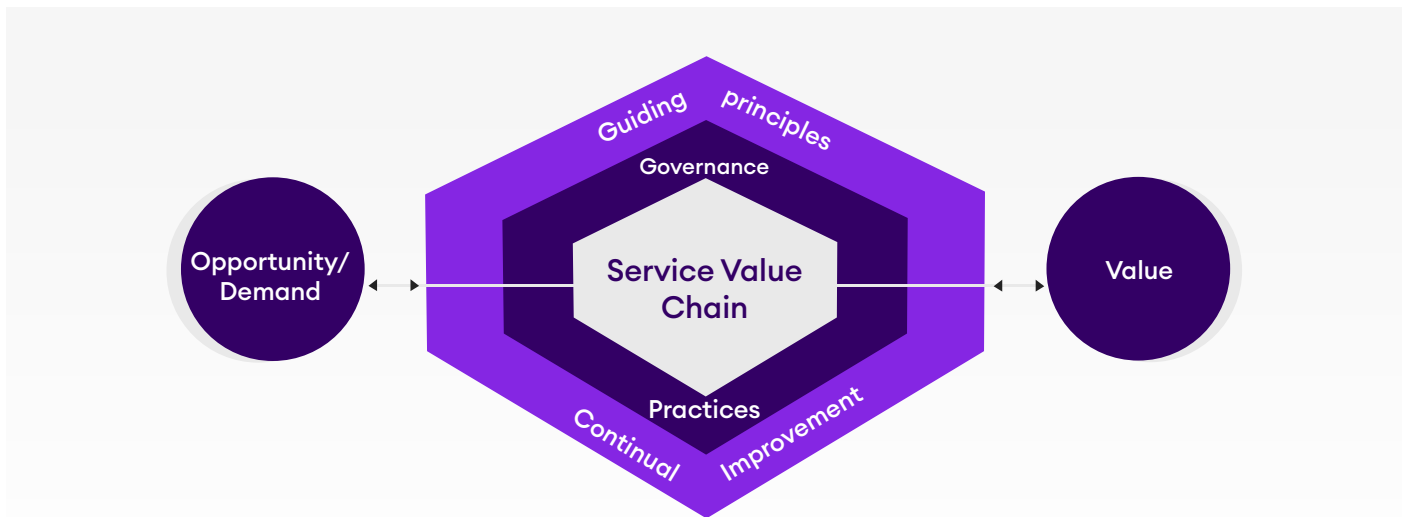
Service Value System: Practices

| GENERAL MANAGEMENT PRACTICES	SERVICE MANAGEMENT PRACTICES	TECHNICAL MANAGEMENT PRACTICES
Architecture Management	Availability Management	Deployment Management
Continual Improvement	Business Analysis	Infrastructure and platform Management
Information Security Management	Capacity and Performance Management	Software Development and Management
Knowledge Management	Change Control	
Measurement and Reporting	Incident Management	
Organisational Change Reporting	IT Asset Management	
Portfolio Management	Monitoring and Event Management	
Project Management	Problem Management	
Relation Management	Release Management	
Risk Management	Service Catalog Management	
Service Financial Management	Service Configuration Management	
Strategy Management	Service Continuity Management	
Supplier Management	Service Design	
Workforce and Talent Management	Service Desk	
	Service Level Management	
	Service Request Management	
	Service Validation Management	
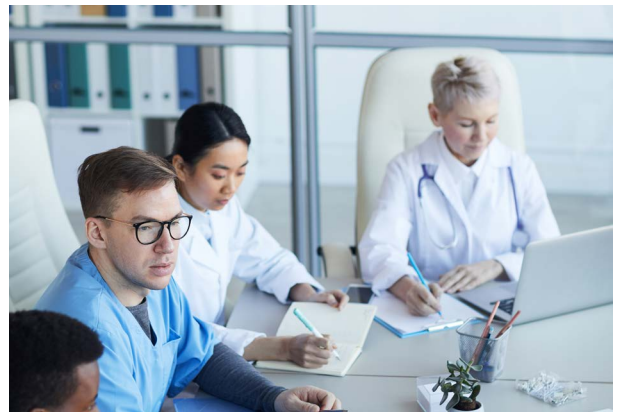
In ITIL 4, processes became practices, because capabilities are built on a number of elements–not just processes.

The 4 Dimensions of ITIL 4 articulate these elements. Processes still feature as components of practices, but these are complemented by organizations & people, information & technology, partners & suppliers, and value streams & processes. If these seem somewhat familiar, it's because they appeared in earlier versions of ITIL in a more primitive form: People, Processes, Products, Partners ("The 4 P's").

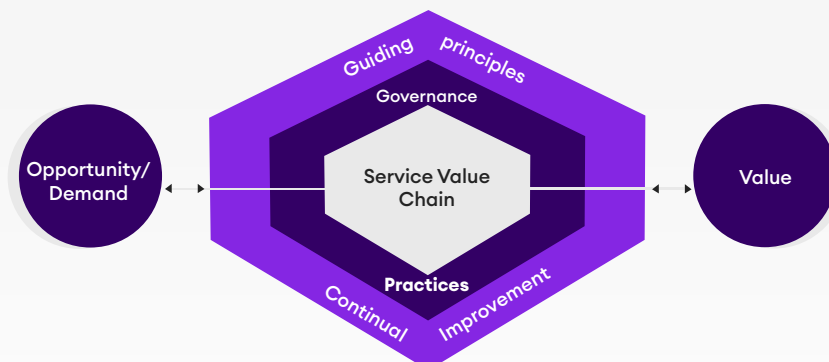FIND OUT MORE:
Why Processes are now Practices

Service Value System: Practices

In ITIL 4, processes became practices, because capabilities are built on a number of elements—not just processes.

The shift from process to practice makes ITIL 4 more holistic by expanding the scope of how we look at work– from a somewhat narrow process perspective to a more holistic practice perspective.

The 4 Dimensions of ITIL 4 articulate these elements that make up this practice perspective. Processes still feature as components of practices, but these are complemented by Organizations & People, Information & Technology, Partners & Suppliers, and Value Streams & Processes.

ITIL 4 presents 34 practices. When looking at each, you are encouraged to use the 4 Dimensions of ITIL to take a holistic view–a more complete perspective of what it takes to build an effi cient capability: including the processes which guide the work and the other essential elements which are necessary to operate efficient capabilities:

Organizations and people

The teams and individuals that do the work. Do they have the skills and knowledge they need to get things done?

Value streams and processes

End-to-end processes, as defined using the ITIL 4 Service Value Chain as Service Value Streams to ensure they are framed by demand at one end and value at the other - meaning the holistic view is maintained.

Information and technology

Do your people have the information they need to run the practice properly? For example, smart queue management to help them decide what to work on next. Or performance reports to decide where improvements are required. Do they have the tools they need to give them visibility and control? Do they have the right automation tools to optimize and automate these practices?

Partners and suppliers

Are partnerships required to fill gaps where in-house capabilities don't exist? Can a 3rd party organization perform a part of the practice better, faster, or cheaper? Do technology suppliers respond quickly when the ITSM technology that supports a practice isn't working?

We will look at the 4 Dimensions in more detail later. For now, just remember that managing the work that incident management or problem management teams do involves more than simply defining workflows.

Service Value System: Continual Improvement

Continual Improvement should be applied across all areas of service management - from governance and strategy to operations.

It's all about having an improvement mindset, where people are actively encouraged to spot, collaborate on, and act on opportunities to do things better. Note that Improve is an activity in the Service Value Chain model as well as the broader Service Value System - reinforcing the idea that improvement should be woven into every level of service management.

Leadership should evaluate the Service Value System for high-level opportunities to improve on governance, principles, and the way practices are integrated together for the most efficient flow of value streams.

Practices managers should continually evaluate their practices to drive performance - including where staff training is required and new service management technology should be applied.

Service managers and product managers should evaluate performance of the products/services/value streams for which they are accountable to eliminate waste, mitigate risks, and accelerate delivery of value to the customer.

In short, continual improvement is part of everyone's job.

FIND OUT MORE:

Continuous Improvement and the Importance of a Growth Mindset
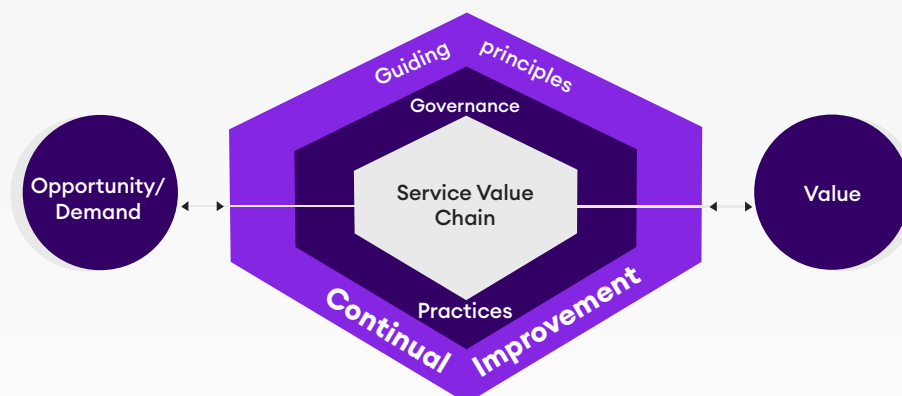
The Service Value Chain

The Service Value Chain is the operational model at the core of the Service Value System.

It provides a new lens through which to view and manage services - one which compels organizations to frame all activity with two things: the demand that triggers work, and the value it creates.

How Does the Service Value Chain Work?

The Service Value Chain is the operational model at the core of the Service Value System. It provides a new lens through which to view and manage services - one which compels organizations to frame all activity with two things: the demand that triggers work, and the value it creates.

Plan - All types of planning, at all levels.

Engage - Any and all interactions with people who are external to the group who operate the service value chain (employees, customers, management, partners/suppliers).

Design & Transition - The operating model showing how components/activities work together.
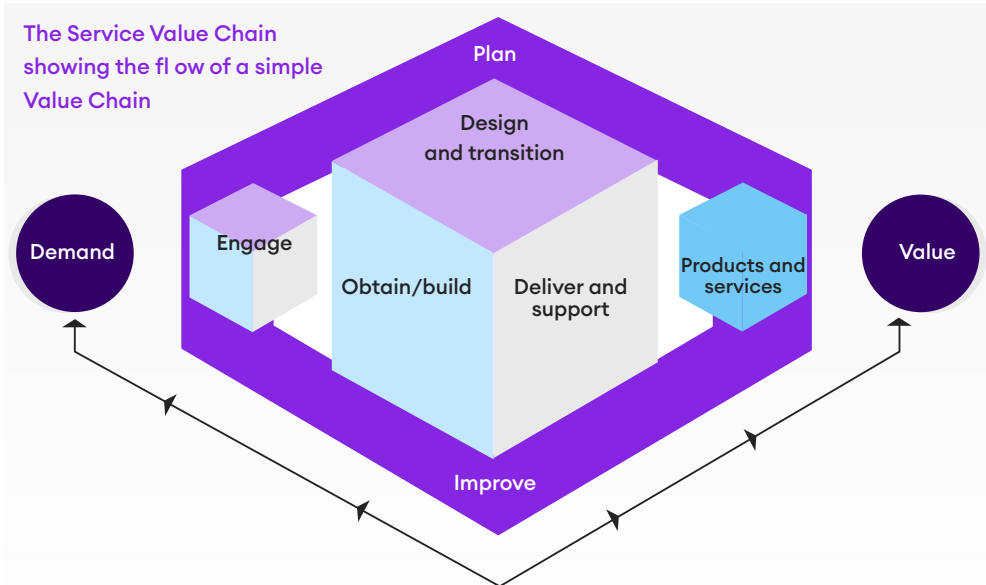
Obtain/Build - To manage the discrete capabilities that underpin ITSM (like Incident/Problem Change).

Deliver & Support - To make things better over time.

Improve - To make things better over time.

Everything you do as a service organization - today and in the future - will fit into one of these activity types. For every service outcome - whether that is to deliver a service, restore a service, improve a service, or create a new service - it will involve these steps.

This allows you to map activities to activity types, giving them a consistent structure that can be understood across the organization.

The Service Value Chain showing the fl ow of a simple Value Chain

Plan

Design and transition

Engage

Obtain/build

Deliver and support

Products and services

Demand

Value

Improve

SERVICE VALUE CHAIN:

An operating model which outlines the key activities required to respond to demand and facilitate value realization through the creation and management of products and services.
ITIL 4 Foundation Volume

What Are Value Streams?

A Service Value Stream is a series of activities which fl ow through the Service Value Chain—from Demand to Value— taking a path through the necessary value-add steps.

Service value streams should always start with demand and end with delivery of value to the customer.

Value streams set out what work needs to happen (whether that is human labor or automation) to give the customer the result they want. The value-oriented lens of the Service Value Chain ensures that all activities are aligned with demand and there's no waste (showing the infl uence of Lean on ITIL 4). An individual value stream clearly answers the question "What do we do when..." for each service management scenario.

 Organizations value streams to respond to various scenarios–for example, incident/ response, major incident response, security incident response, service delivery, agile service development. Each value stream takes a different path and may "bounce around" inside the Service Value Chain model before fi nal delivery to the customer (see below).

Demand is the input trigger. From there, the output from the first activity becomes the input for the next, and so on until the desired outcome is delivered.

Different combinations of ITIL practices will be involved in different value streams. Some activities may be performed outside the organization by 3rd party suppliers (e.g. obtain).

A value stream may be highly specialized and streamlined to deliver a very specific and well-understood outcome very quickly and efficiently. Or, it may be a general description of how to tackle a set of similar scenarios– requiring some on-the-fly adaptation to fit the context. For example, a major incident response stream will have a general shape, but will probably involve an initial emergency planning step to decide the most appropriate approach in this instance.
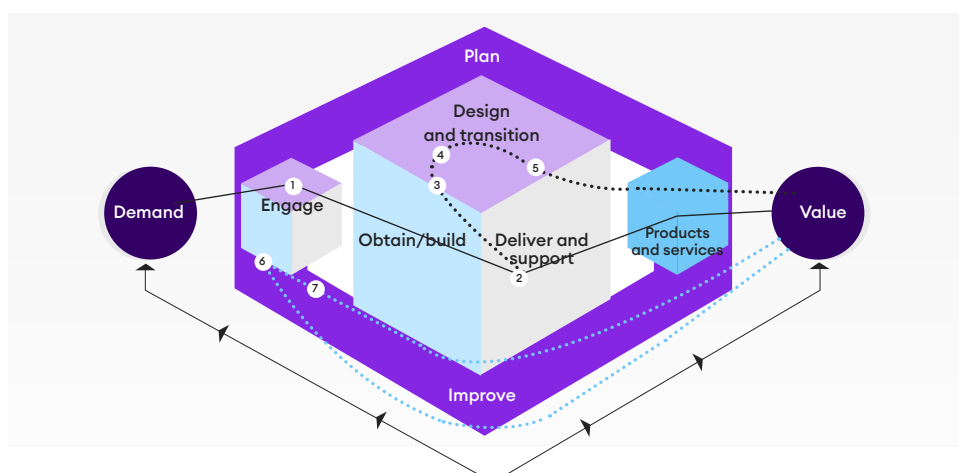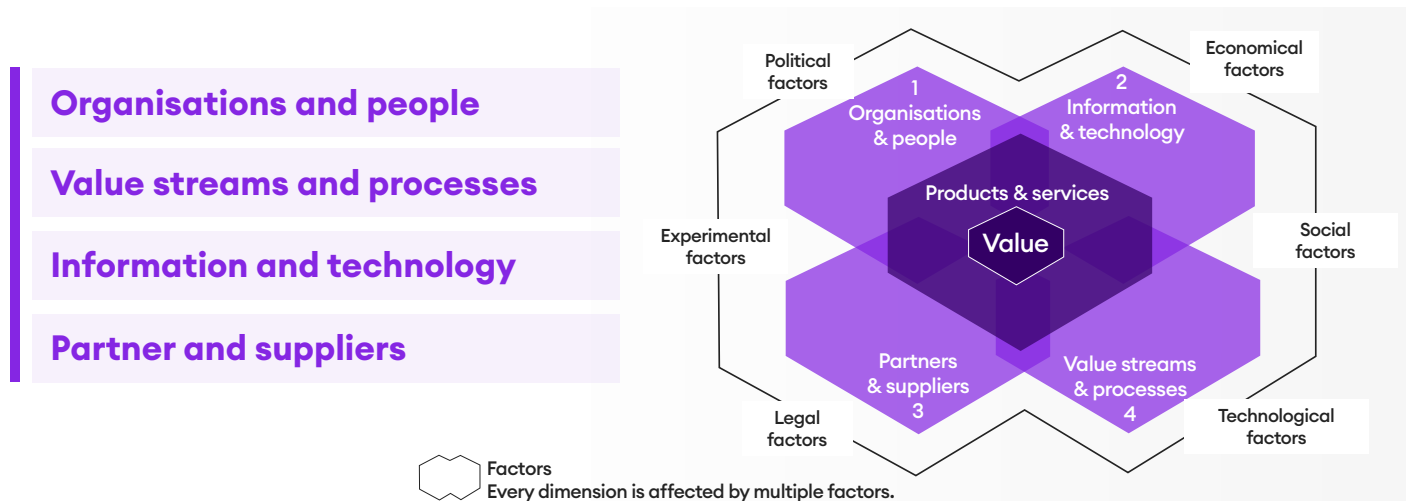

VALUE STREAM:

A series of steps an organization undertakes to create and deliver products and services to customers.

ITIL 4 Foundation Volume

The 4 Dimensions of ITIL 4

The four dimensions of ITIL 4 are the ingredients needed to create high quality products and services which deliver value to customers:

Organisations and people

Value streams and processes

Information and technology

Partner and suppliers

Political factors
Economical factors

1 Organisations & people
2 Information & technology

Products & services
Value

Experimental factors
Social factors

Partners & suppliers 3
Value streams & processes 4

Legal factors
Technological factors

Factors
Every dimension is affected by multiple factors.

The delivery and support of different services and products requires a different mix of ingredients. No single ingredient can deliver value on its own. A holistic perspective is required. The four dimensions model is a thinking tool to ensure people consider all the ingredients and don't over-focus on one area. Singular focus on any one dimension causes issues across other dimensions. The key to balancing the four dimensions is to consider all factors when designing services; not as an afterthought. When a service value stream changes, all dimensions should be re-considered. If not, the value chain may become unstable. Considering all the factors throughout the lifetime of a service will help you optimize value and efficiency.

The 4 Dimensions + Service Design

ITIL 4 recommends mapping the activity involved in delivering products/services as Service Value Streams–the paths of activity required to create value for the customer. Defi ning end-to-end value chains gives you a holistic view, so people who are involved in a part of a value stream can see the bigger picture. The four dimensions of ITIL prompt people to look beyond the traditional IT perspective of technology to consider the broader service ecosystem–all the moving parts which combine to create value for the customer.

The 4 Dimensions + Change

A change to one dimension will always influence others. A small change can ripple across the system, creating widespread disruption.

When a process changes, people may need to adapt how they work. A process change may also impact supporting information and technology. A new process usually means new information is needed to run the process. And where processes are automated, a change in process will require a corresponding change in service automation.

The 4 Dimensions: Organizations & People

The Organizations and People dimension sets out the human aspects of service management to be considered when designing/operating/changing service offerings. People include employees, managers, executives, customers, supplier employees, or anybody involved in the creation or consumption of services.

Key considerations of the Organizations & People dimension are:

Organizational Structure: Are your hierarchies, teams, roles, and responsibilities geared for value creation? Can activity be clearly mapped to practices/roles? Do you have complex approval requirements that require escalation?

Governance: Do your governance structures intervention. balance flexibility against risk? Are people free to make decisions and adapt the way they work? To accelerate delivery, some decision-making should be devolved to where the work happens.

Culture: Is your culture collaborative? Are people focused on delivering value to customers, or tweaking processes and technologies? Are they focused on achieving the goals of the business or optimizing narrow metrics? Do people strive to continuously improve, or are they afraid of change? Culture can have a profound impact on the success of your organization.

Communication: Do your communication practices support teams working together to deliver value? What is the potential impact on the customer if stakeholders fail to communicate? Do you have digital collaboration tools in place to enable good communication across distributed teams and home workers? And do people know how to use them to get the best results?

Factors
Every dimension is affected by multiple factors.
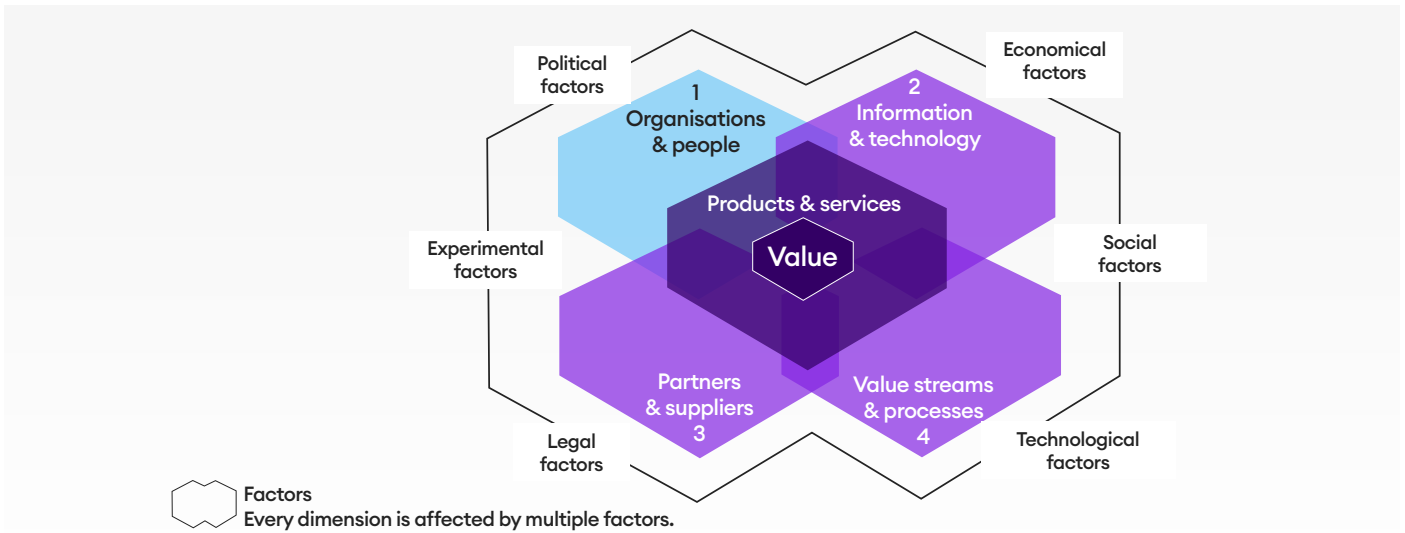
Capacity: Do you have enough people to support your practices? Are human capacity bottlenecks slowing down value delivery? IT process automation and service automation can help you do more with less, but you will always need people. Automation can help people focus on tasks that still demand human intervention.

Competence: Are your people trained to operate and manage services and value streams in an efficient manner? Where can weaknesses be remedied through education? How do identify areas where training is required? In many organizations, staff training isn't taken as seriously as it should be. If you want services to get better, training must be part of the solution.

Interfaces: What are the face-to-face and digital touch points between teams? Do these support the flow of your value streams? If these don't work well (for example, incomplete information being handed over), you will not benefit from a "clean" process fl ow. Friction at the interfaces between teams can be a source of confusion, delay, and rework - slowing down the who value chain and delaying delivery to the customer.
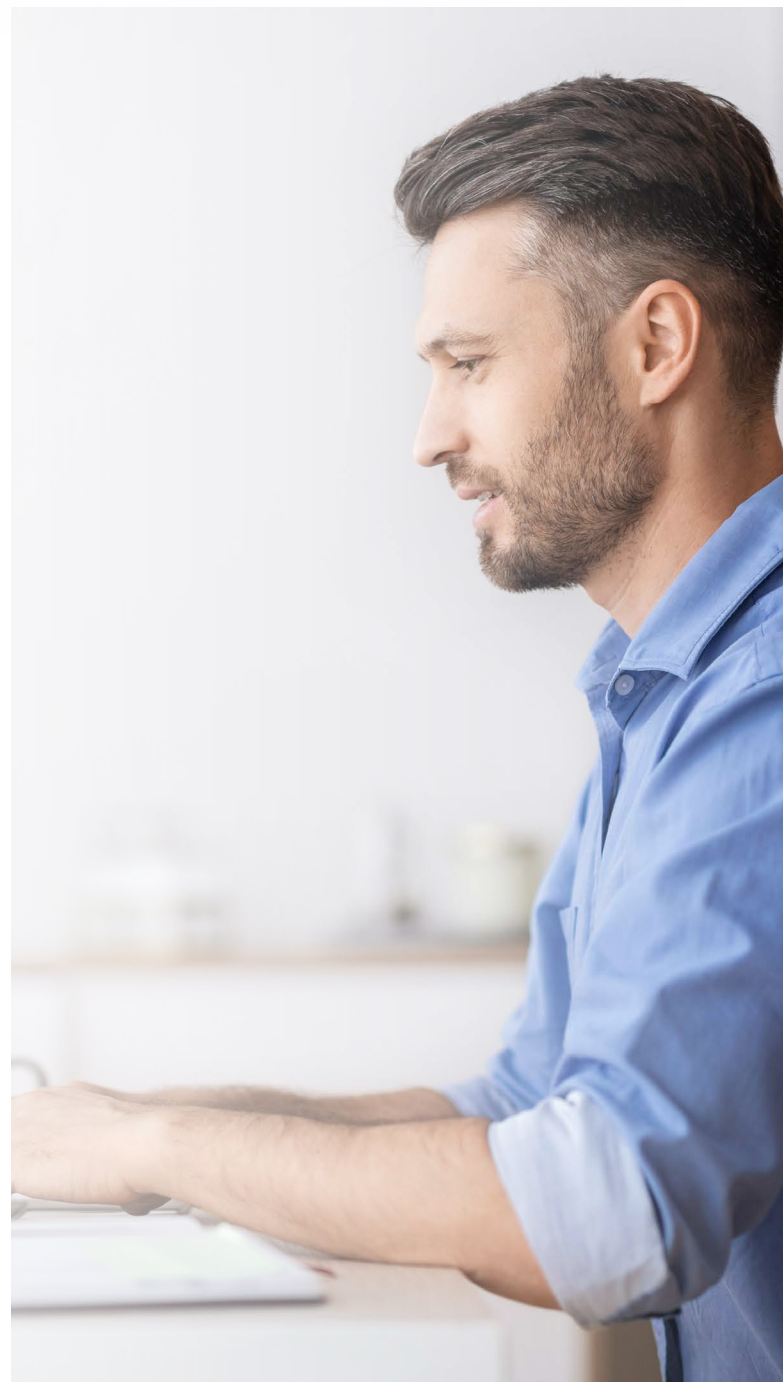
The 4 Dimensions of ITIL 4: Information & Technology

In the Information Age, information (and technologies which store and process information) are critical enablers of value delivery.

In many cases–like Google's search engine–information is the value. When thinking about Information and Technology, we must consider two angles: How they support individual service value streams and how they support the broader service management capabilities which help you manage your service portfolio:

What information do you need to create, reference, or change to deliver value?: What are the inputs/outputs of each step in the value stream? What information outputs does the customer want?

Which technology component make up the service?: What processing, storage, network and digital interface components do you need to create and transfer value?

What information do you need to support service management capabilities?: What do you need to know about volumes of demand, capacity, infrastructure & operations, customer satisfaction, costs, and other aspects of service management to run an effi cient IT infrastructure and IT service portfolio?

What technology do you need to support service management?: Successful service management at enterprise scale is always underpinned by service management technology. What tools do you need to run an efficient and effective service portfolio? For example, CMDB, process automation, a knowledge database, service catalog, queue management, monitoring, reporting and analytics.

Other aspects you need to consider are skills and security: Do you have the right people to build, maintain, secure and support the technology you are bringing in? For example, organizations launching new information services based on big data architectures and AI are finding it difficult to find people with the right skills. Cybersecurity headlines continue to highlight the potential damage to brand reputation. Security should be baked-in to a service at design stage? - not simply applied as an afterthought.
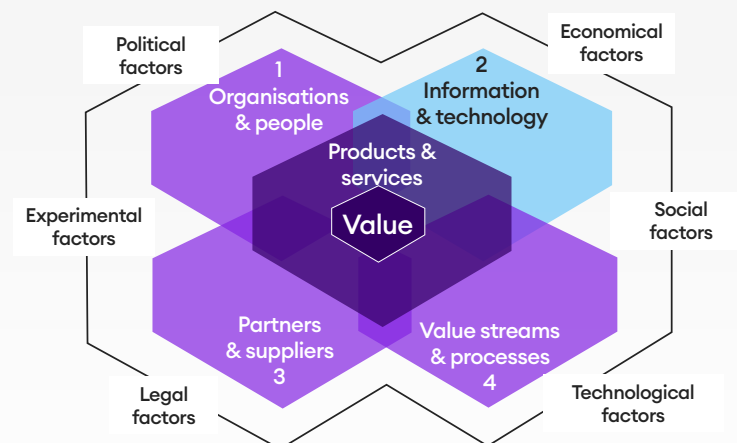
Factors
Every dimension is affected by multiple factors.

The 4 Dimensions: Partners & Suppliers

Every organization is a provider and consumer of services - they need partners and suppliers to help deliver their own services. However, the breadth and depth to which organizations integrate suppliers into their value chains varies depending on in-house capabilities, sourcing preferences, and regulatory requirements.

When considering the Partners & Suppliers dimension, think about:

Strategy: Which capabilities do you want to retain in-house, and what do you need to outsource to access specialist capabilities? In most organizations, it isn't practical to support every aspect of every capability with internal staff. It is also unlikely that you will be able to develop the same depth of expertise quickly enough, so it is better to take advantage of the ready availability of experts than struggle to develop in-house capabilities. In a changing world, the set of capabilities you need tomorrow won't be the same as today, so you could fi nd yourself investing a lot of money in "dead end" functions.

Scarcity: Do you have people with the right skills, or do you need to use partners to fulfil certain capabilities? CIOs typically list recruiting IT talent as a top-3 challenge, so outsourcing in areas like AI and big data can help you get the job done more quickly.

Cost: How does the cost of outsourcing compare to the cost of your in-house capabilities? Making economic decisions on the viability of insourcing vs outsourcing requires a clear and accurate understanding of how much it costs you to run your own services. Understanding your service economics is essential making the right decisions. An enterprise-class ITSM solution like assyst will give you an accurate view costs for comparison.
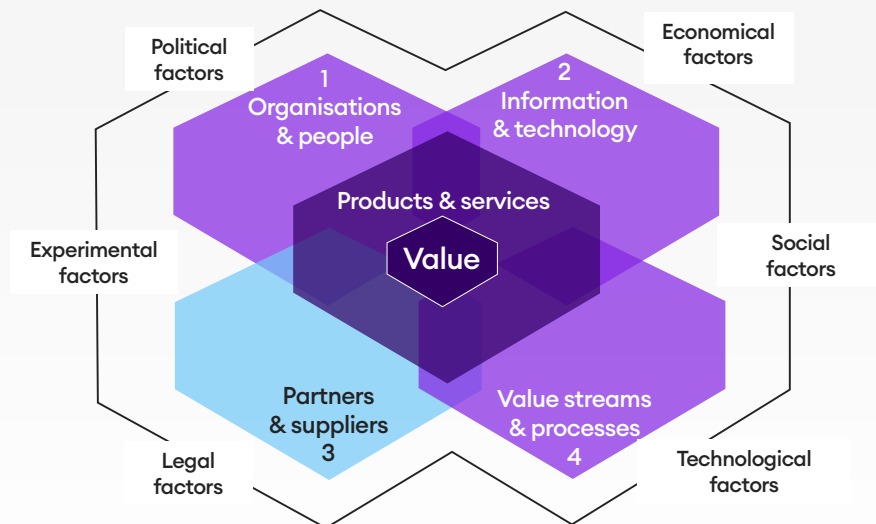
Factors
Every dimension is affected by multiple factors.

Relationships: Do you have good relations with supplier representatives, including support people? Are they responsive to incidents and requests for change? The relationship you have should be considered as a factor going above and beyond the typical "hard factors" such as cost. If you change suppliers frequently simply to chase-down the lowest costs, you have to build relationships from scratch every time. Is it really worth it?

Flexibility: Do your supplier contracts allow for quick and simple changes without penalties, or do they require full renegotiation? Working with rigid suppliers who do not embrace change will compromise your own organization's agility.

Performance: Are you tracking supplier performance? Are current suppliers performing as expected? Can they handle peaks in demand? How do they compare to other suppliers?

FIND OUT MORE:
How Service Integration & Management (SIAM) can help you manage multi-sourcing

The 4 Dimensions: Value Streams & Processes

Value Streams and Processes introduces the new Service Value Chain which is central to the ITIL 4 Service Value System (see page 4).

In ITIL V3, the service lifecycle structure established a linear flow - strategy, design, transition, operation, and CSI. The ITIL 4 service value chain model is more flexible - evolved to support linear flows and iterative approaches (such as Agile).

The service value chain is an operating model which helps you describe how a value stream (the delivery process of a service) flows across various activities from demand to supply. The service value chain model is generic and fl exible, enabling any combination of steps to support different patterns of delivery.

Each service value stream combines different types of activity in a different order. A value stream can jump back and forth as necessary. Organizations should map a value stream for every product or service to provide a holistic picture of how value is created.

The ITIL 4 Foundation volume provides examples of how the service value chain operating model supports creation of different types of value; including incident resolution, resolving a software issue, creating an IT service, and the development of new software.
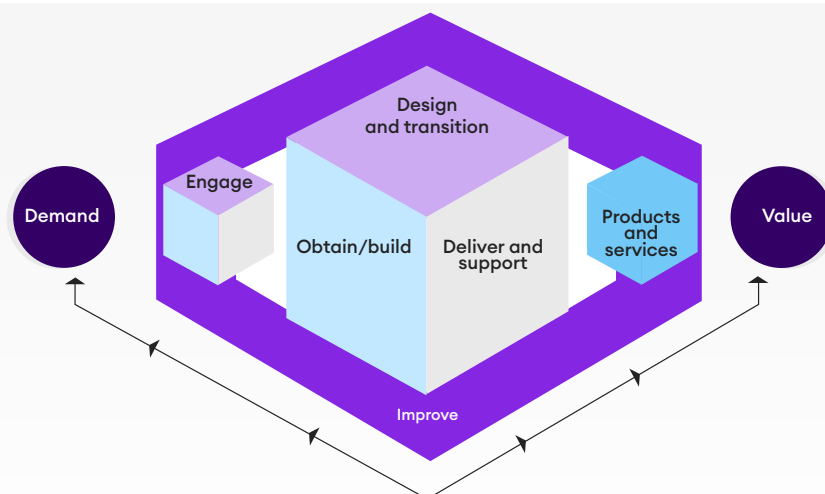
When considering the Value Streams and Processes dimension, think about:

Which steps are creating value and which are waste (add no value for the customer)?

Which steps are (or could be) automated?

Which steps are performed manually by a human being?

Which steps are performed by a third party supplier?

The 4 Dimensions of ITIL

The diagram shows four dimensions of service management surrounding a central "Value" (Products & services):

1. Organisations & people
2. Information & technology
3. Partners & suppliers
4. Value streams & processes

External factors affecting every dimension:
- Political factors
- Economical factors
- Experimental factors
- Social factors
- Legal factors
- Technological factors

Factors
Every dimension is affected by multiple factors.

The 7 Guiding Principles of ITIL

The 7 Guiding Principles of ITIL are the key messages. They are designed to guide decisions and actions so the people who are responsible for managing and operating the organization's service portfolio can benefi t from these high-level best practices.

These principles aren't new. They're influenced by ideas born in disciplines outside of service management (such as manufacturing and software development) but have now been proven in the service management context.

These principles don't stand alone. They overlap and interact; they are mutually beneficial. For example, the Think and Work Holistically principle relies on the Collaborate and Promote Visibility principle. The Progress Iteratively with Feedback principle will help you ensure you are always Focused on Value; especially in a rapidly changing environment.

The interplay between these principles means that they cannot simply be "Implemented" or adopted one by one. You cannot simply decide that from now on, you are going to "Focus on value" and next week you will "Start where you are". They are principles which should be absorbed into the fabric of your organization's culture.

7 Guiding Principles

The guiding principles provide a comprehensive and holistic vision of how a service/service managementorganisation would manage and execute its work.

- Focus on Value
- Start where you are
- Progress iteratively with feedback
- Collaborate and promote visibly
- Think and work holistically
- Keep it simple and practical
- Optimise and automate
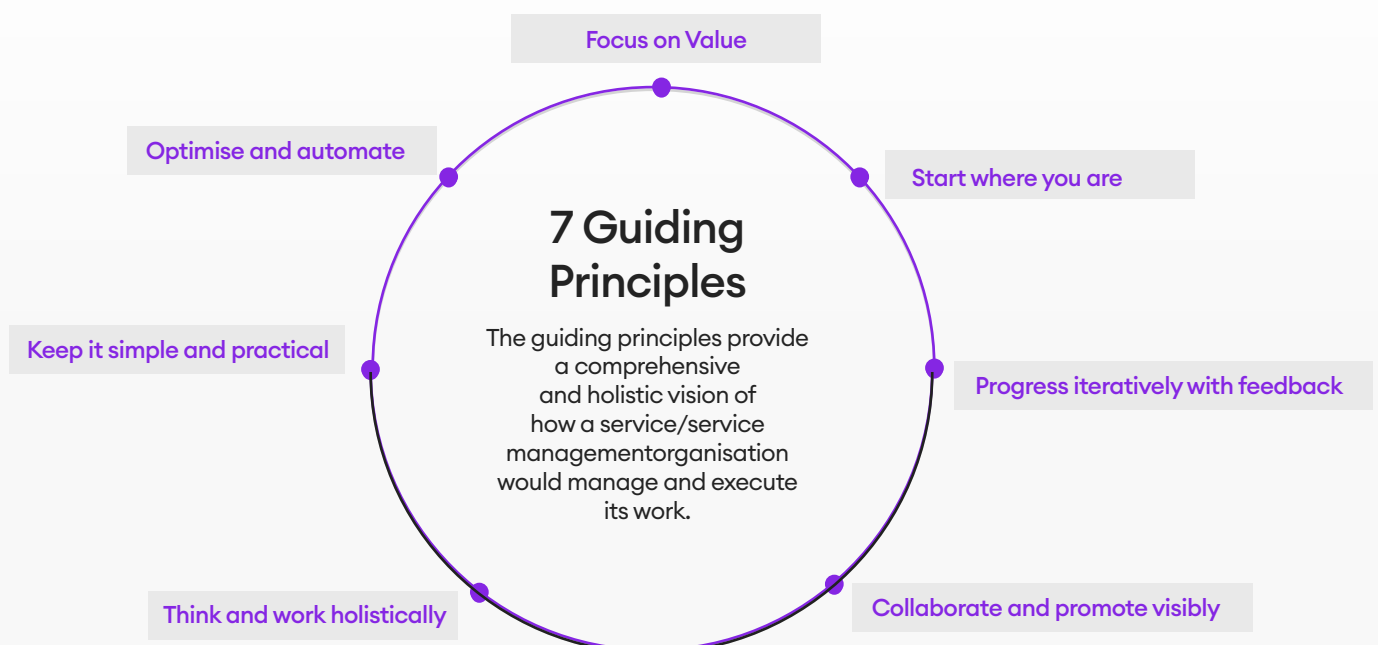
Focus On Value

Focusing on value is about recognizing services for what they are - a vehicle for value. It is the outcome of the service which is of value to the customer, not the service itself. For example, a car hire service isn't about having access to a car, it's about getting from A to B. The car service is a means to an end. The technology, assets, people, and other elements are simply a part of that. And when people focus too much on the components of a service, it's easy to become detached from the bigger picture of value. This is how waste creeps into the service ecosystem. An obsession with value - and the identifi cation and elimination of wasteful activity - comes from Lean thinking.

The people who are part of the service supply chain must always ask: "Who is the customer?", "Why do they need this service?" and "Is what I'm doing now helping to create value for them?" To focus on value, you must have a clear idea of what value means. Organizations must make efforts to identify the true needs of customers - so they can avoid designing services based on assumptions.

Start Where You Are

Few business opportunities happen in a "greenfield" site; an empty space where there is no pre-existing capability. Usually, the challenge is to build something better where some capability already exists. It can be tempting to throw everything away, start from zero, and aim for something fresh and perfect. But starting from zero usually means walking backwards from where you are now.

You will already have some of the people, skills, knowledge, processes and assets you need, so think about how you can move forward with what you've
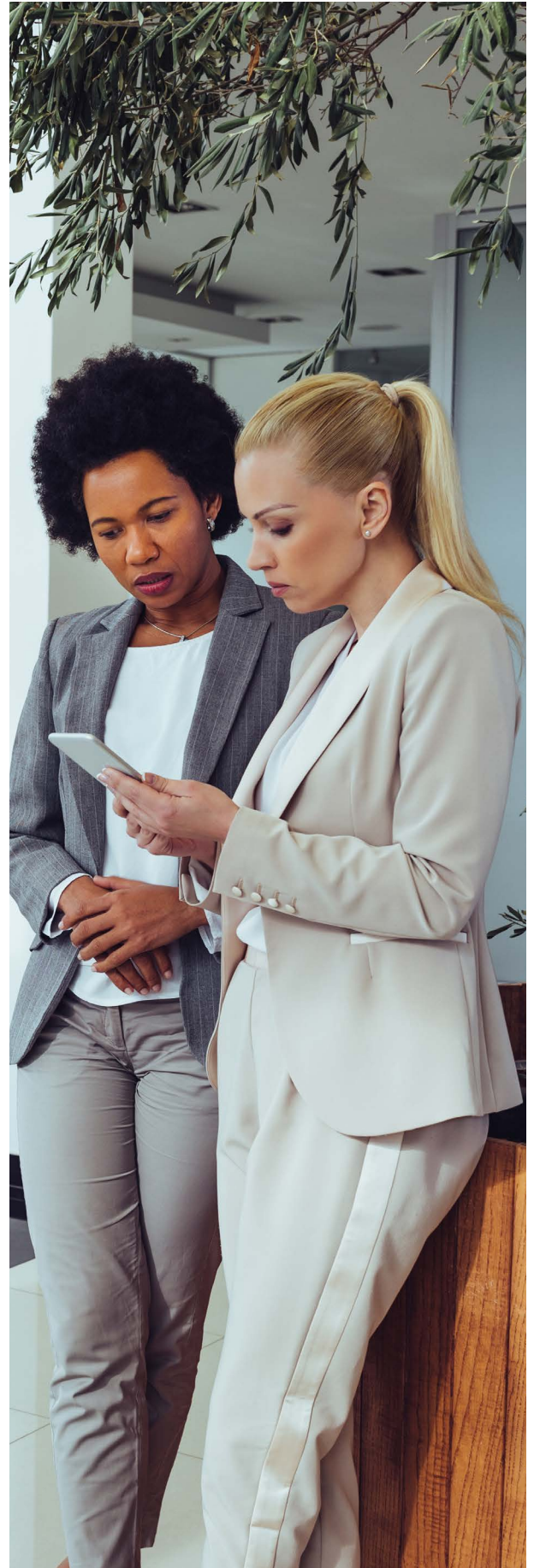
got. To do this, you need to assess where you are now, so you can objectively identify what you can adapt and reuse to get you closer to where you need to be, more quickly.

It is easy to assume that every part of a poor performing capability is also sub-optimal, but this is often not the case. Many of the your components may be fi t-for-purpose in the new context.

So, when you are facing a challenge and wondering where to begin, start where you are–but be aware that you will need to apply organizational change methods to get people to adapt old behaviours. People change is always the trickiest aspect.

Progress Iteratively With Feedback

You can't do everything at once. Trying to tackle too many things is a recipe for burnout. Aim to deliver small chunks of value early; have the customer validate what you're doing to make sure you're heading in the right direction; build on what you have done based on what you've learned from the customer.

The Progress Iteratively with Feedback principle integrates agile principles (borrowed from software development) into ITIL 4. Where the waterfall model uses a single monolithic cycle, agile involves short iterations each one followed by engagement with the customer to validate value.

In an age where innovation happens quickly, the customer's view of value can change quickly. The Agile Manifesto recommends "Responding to change over following a plan". An iterative approach will enable you to respond to changes. A rigid waterfall approach locks in the defi nition of value at the start and any changes in customer requirements are usually discovered when it is too late.

Collaborate and Promote Visibility

In large organizations, processes, projects, and service value streams can fl ow across many teams and departments– there are many moving parts working across different disciplines, operated by different subject matter experts. It is necessary for organizations to hire and cultivate specialist expertise so that tasks can be routed to the people who have the skills to perform them. This is the benefit of specialization. The problem with specialization is that it promotes "tunnel vision"–a narrow focus.

For this reason, when it comes to solving problems spanning multiple specialist teams (for example, the network/ database/application teams), finding the best solution requires collaboration. However, typically an issue will be bounced around from team to team.

The issue may be caused by a combination of factors, but these teams are not collaborating to consider all the angles. Specialization creates siloes. Siloes prevent the fl ow of information and knowledge; one team does not have visibility of what another is doing. Collaboration between teams is the antidotes to the problem of a siloed organization.

The collaborate and promote visibility principle is closely connected to the Think and Work Holistically principle. For people to collaborate effectively on projects which span many teams, they must all understand the holistic perspective–they must see the bigger picture.

DevOps is a prime example of a situation where there is a need to both think and work holistically and collaborate and promote visibility. Development and operations people must see the bigger picture–that Dev and Ops are part of the same value chain. Developers must consider the downstream implications of new code. Ops people must consider the upstream impact
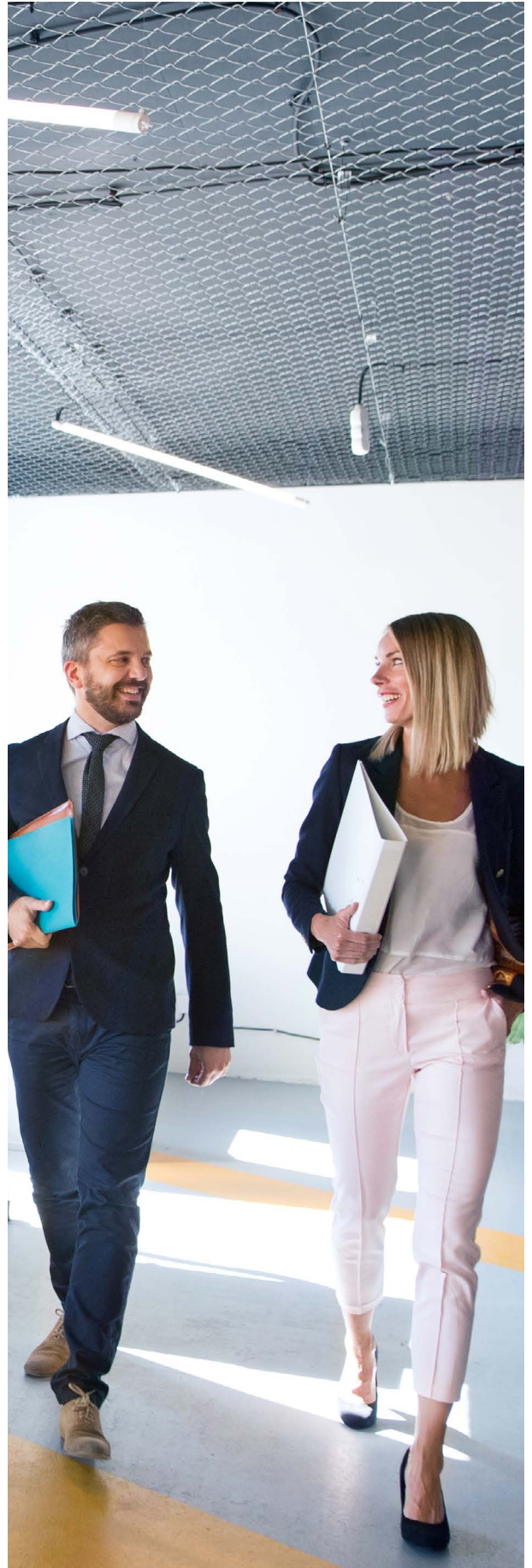
of changes to the production environment. Both must consider the impact of what they are doing on the customer.

Clearly, enabling a faster, safer fl ow of value from Dev to Ops to customer, requires better collaboration and clear visibility. As a result, collaborative organizations are typically more agile and resilient.

Think And Work Holistically

Like collaborate and promote visibility, this is another anti-silo principle. A holistic viewpoint is necessary because nothing happens in isolation–there is always a bigger picture to be seen. The delivery of services requires coordination of activities across teams and systems. Thinking and working holistically means thinking and working across teams, departments, systems and other boundaries to focus on creating value. The parts need to work together to create a clean flow of value across the value chain. When we don't think and work holistically, we experience friction at the hand-off points. Few value chains start and end within the same team. More often, the value chain involves many moving parts. The people and teams who perform the parts of a value stream must be know how the work that they do fi ts in with the rest of the value stream.

It is important to understand how the value chain integrates into a complete, end-to-end process. What are the inputs and outputs of each step? Are the handovers effi cient? Is there a smooth fl ow? Or do teams need to constantly loop backwards to ask for more information on what was passed downstream?

This holistic perspective is important when change is applied: a small change to one step in the value stream can have a profound impact on upstream and downstream steps, so changes must be assessed from a whole-view perspective. Often, a well-intentioned improvement made by one team in isolation can break a value chain.

Working in siloes means people often fail to spot opportunities and risks. So, to deliver optimized services (and minimized risks), it is important to work with the various stakeholders to ensure that everybody is on the same page.

The 4 Dimensions of ITIL 4 provide a useful tool here to ensure you are considering all the necessary angles–value streams and processes, information and technology, organizations and people, and partners and suppliers. People are the collective representatives of the whole system, so close collaboration is critical. When change is required, it is necessary to pull together the people who represent parts of the system to discuss the change from both the systemic perspective and the holistic outcome perspective. It is necessary to appreciate the complexity and fragility of a value chain–and this cannot happen when teams operate as siloes. Transparency is critical to getting the holistic perspective.

Keep It Simple And Practical

Like Focus on Value, this principle is focused on the prevention of waste. Waste correlates with complexity. Higher complexity means more opportunities for waste to creep into a system - and it requires more work to find an eliminate waste.

Focus on delivering the desired outcome - not building the most elegant and elaborate solution. Use the minimum number of steps to deliver that outcome, ensuring you are not over-processing (delivering quality above and beyond what is required).

Apply the Pareto Principle (the 80:20 rule) to service mainstream demand without trying to solve for every exception. A simple process can handle 80% of cases. Adding decisions and actions to support every variation complicates the process and slows it down for the mainstream. It's better to apply general exception handling: mainstream demand is
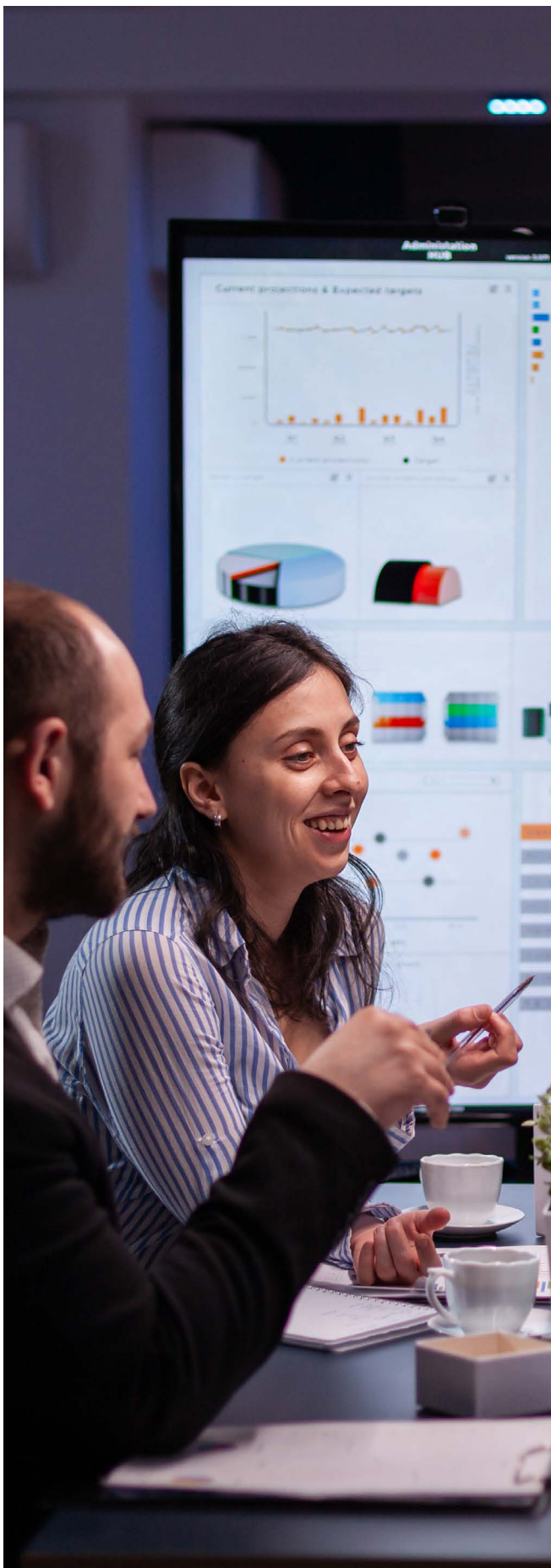
handled by a simple, standard process (possibly automated) - and the less frequent outliers are handled case-by-case by human agents.

Optimize And Automate

Optimize and automate is about using people and automation effectively. The number of people you have is often the primary constraint on progress, so technology should be used to its full potential to ensure your people don't waste time on repetitive tasks and focus on the complex decisions, creative endeavours, and problem-solving tasks which require human ingenuity. If a person is working a task that can be automated, this is waste. Automate the automatable to ensure people do people work and machines do machine work. This means automating standard processes and decision-making which can be modelled algorithmically or handled by an AI bot. However, be careful what you automate. Automating a faulty process simply gets you to the wrong outcome faster.

Nothing is ever perfect fi rst time. Although the waterfall model tries to do this, it rarely works out - because it starts with trying to capture the customer's requirements perfectly (an impossible task). Most often, an agile approach works better-- where changes can be validated with the customer on a regular basis.

The optimization principle ties in with the Progress Iteratively with Feedback principle. Using specifi c optimization practices documented in ITIL - or borrowed from DevOps, Lean, and other areas - iterative improvements can be applied and validated with holistic metrics such as customer satisfaction score.

If an improvement is made and IT customer satisfaction goes up, that's a win. If a process is

streamlined for cost, and IT customer satisfaction remains steady, that's another win. However, if customer satisfaction decreases, then a problem has been created. Generally, holistic metrics like IT customer satisfaction are useful tension metrics by which you can check that "local" improvements are not having a negative impact on the "global" system.

When working to optimize and automate, the Think and Work Holistically, and Collaborate and Promote Visibility principles also come into play, so that optimization is done from the value chain perspective and all the necessary stakeholders are involved/ informed as necessary.
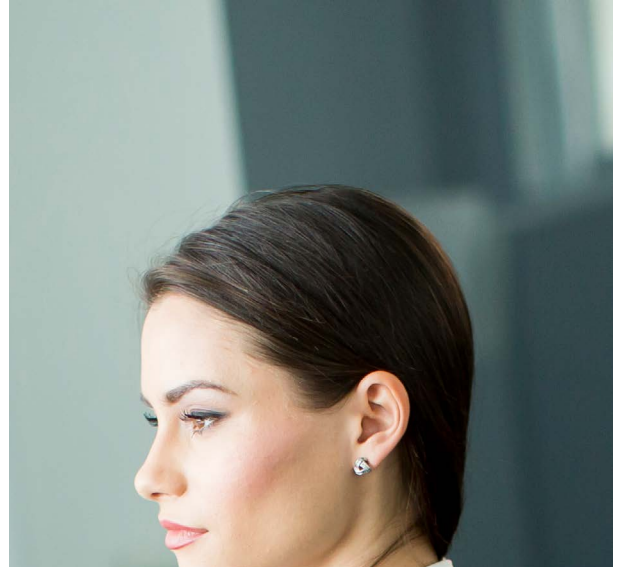
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