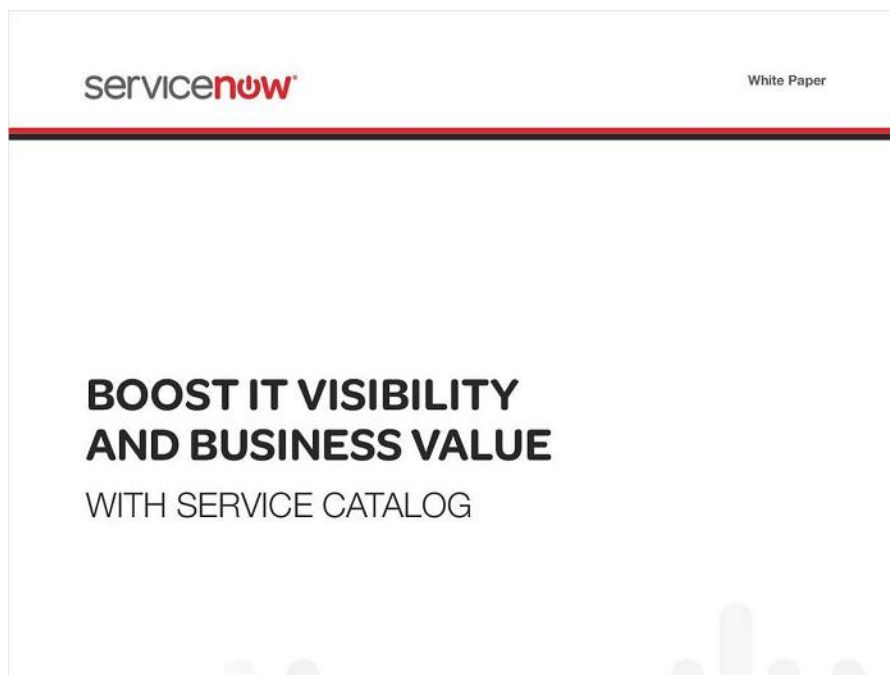


Boost IT Visibility and Business Value with Service Catalog

Decision makers at many organizations question the investments made in IT. This is often because they don't fully understand the value delivered by IT service management (ITSM) or by compliance with recommended best practices such as those defined by the IT Infrastructure Library or ITIL®. This often pressures CIOs to demonstrate the value of IT to the business. Learn how creating a great service catalog can help alleviate these pressures and why many consider it to be fundamental to any IT improvement initiative. An effective service catalog enables IT to deliver business services that are more customer and service focused, which results in higher customer satisfaction, provides standardization and consistency and increases IT visibility across the organization.



Overview

According to CIO Magazine, “Today, CIOs are being asked to cut costs, increase productivity, and find new ways to generate revenue and profits.” A natural outcome of this trend is the increasing demand on CIOs to show the business the value they are getting from their IT investment. To enhance transparency and demonstrate value, IT needs complete visibility into its costs and services. Gartner writes, “Transparent governance processes and budget and performance monitoring are important factors in regaining the trust of business units.” To address these issues, most CIOs and senior executives have already made substantial investments in their IT organizations. However, they have made these investments without fully understanding ITIL® or the value delivered by automating their IT operations, because the foundation, the service catalog, is inadequate or missing. Building a great service catalog relieves these CIO pressure points by demonstrating the value of ITSM while boosting the organization’s perception of IT.

Building Trust through Transparency

Research to measure business perception of IT across many companies clearly demonstrates that, while IT is seen as an important partner, it receives low ratings in areas such as budget effectiveness, business understanding, and communication. While many IT service managers recognize and embrace this need to build trust, they often face significant challenges in reaching this goal including:

- **Getting started and prioritizing actions**
- **Managing ongoing business-critical implementations while developing a cohesive corporate strategy**



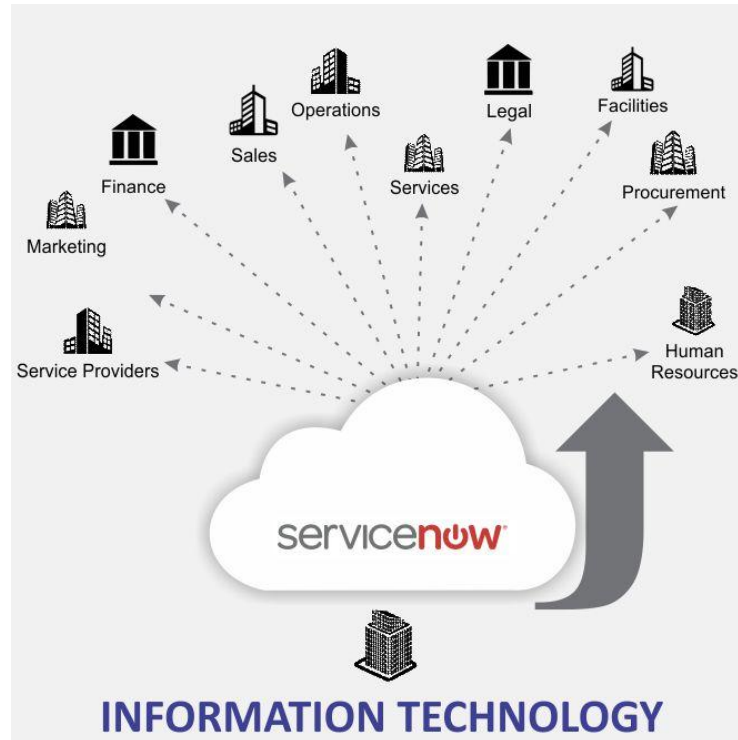
- **Building a strong business case that aligns the IT budget with business goals and objectives**
- **Securing service management tools that are fit for their designated purposes**

A great place to start building trust is with an effective service catalog. To quote an experienced ITSM practitioner, “A service catalog is only necessary if you have customers or users of your service. Otherwise, it’s a luxury.” Clearly, every organization can benefit from a great service catalog, since everyone has customers. Some organizations have no service catalog, while others have a service catalog that’s ineffective because service offerings are unclear or only partially defined. Many service catalogs suffer from one or more of these common problems:

- **More information on the delivery of services than the services themselves**
- **Designed for IT, rather than the actual consumers of the services**
- **Too many services and too little helpful categorization**
- **Unfamiliar services**

Poorly defined services are typically not well understood, and therefore cannot be managed effectively, which creates confusion. An effective service catalog provides clearly explained services that meet the needs of the business and it’s customers. When services are widely promoted, easy to understand and request, and consistently delivered, your service catalog is truly a foundation for service management that can boost IT visibility and value.





Establishing a Foundation for Service Management with the Service Catalog

True service management requires knowing and understanding the services you provide. It's possible to establish important processes, such as incident and problem management, but if you don't understand the services they enable, then you're not really providing service management. The service catalog is foundational because it helps you build the understanding necessary to provide true service management. To quote Ivor MacFarlane, author of ITIL v3 Service Transition, "The service catalog is a business critical asset." In the "Big Picture" diagram below, taken from ITIL v3 Service Design, the service catalog is a crucial reference for many critical elements of successful service management.

A strong service catalog provides a foundation for ITSM by clearly communicating what services are available while allowing IT to manage the internal processes and details of how the services are delivered.



Defining Customer-Focused Services

ITIL v3 states that “Services are a means of delivering value to customers by facilitating outcomes customers want to achieve without taking ownership of specific costs and risks.” Understanding the customers’ perspective and the outcomes they want to achieve is paramount to success. As Theodore Levitt, Professor Emeritus, Harvard Business School famously explained, “People do not want quarter-inch drills. They want quarter inch holes.” To simplify catalog development, you need to:

- Identify your customers. Accurately identifying your customers enables you to match the services in the service catalog to customer requirements. However, this can be a challenge as many IT departments are often isolated from the actual consumers of the service catalog. Lack of a clear distinction between direct and indirect customers can also complicate the ability to correctly identify customers. If you can’t accurately identify your customers, you may define, build, and document the wrong services, inhibiting adoption.
- Define customer requirements. Talk to and listen to your customers so you understand their needs. You may have customers at different levels, both inside and outside the organization. “A good starting point is to ask customers which services they use and how those services map to their business processes. Customers often have a greater clarity.” ITIL v3, Service Design, OGC. When you have a good understanding of who your customers are and what they need, you’re ready to build a great service catalog.





Developing the Service Catalog

Experience supports Rob England, “The IT Skeptic,” who says, “Writing a catalog is easy. Buying an expensive tool and implementing it is just as easy. Getting the customers and providers to agree on what the services actually are so that you can populate it is harder.” The best approach is to start by identifying services that are visible to customers, and then to define the components and infrastructure required to deliver those services from the top down. An alternate approach is to start with a high-level list of services that customers need and then build data from the bottom up based on existing components and physical infrastructure. Finally, build a bridge between the two. This bridging process—translating between what you’ve got and how that meets the customer need—is the crucial element that is often difficult and, therefore, the last part to be performed. If you are starting an ITSM initiative, build the service catalog in parallel with other processes. Often service management tools require definition of the underpinning data model, such as categorization, which in turn supports processes like incident, problem, and change. You must understand what the



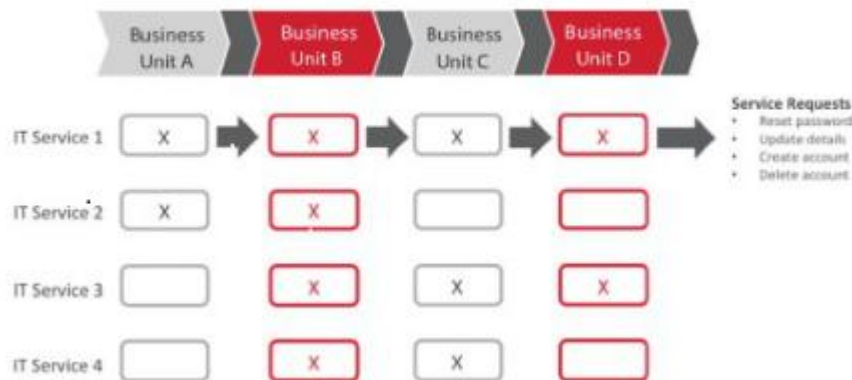
services are, or your data model will be wrong or very IT focused rather than service focused. In reality, though, you may need to get fundamental functions like the service desk in place, and then start on the service catalog. In this case, focus on functions of ITIL that rely on the services being defined first, such as:

- **Automating service requests**
- **Service level management**
- **Configuration Management Database(CMDB), modeled on services**

Start building the catalog by identifying which services are most critical, most in demand, and best understood. For example, you can map IT services and business units in a matrix. Then, indicate which business units utilize each service. The services that are in high demand by the most business units are likely to be the most critical.

After identifying the services used by each business unit, correlate the various types of user requests for each service. For example, the email service may generate requests to reset a password, create a new account, and delete an account. Each of those requests becomes an entry in the catalog.





As you define the catalog entries, be sure each identifies which customers are eligible to request the service and which requirement the service meets. A complicated service can have a very simple title, such as Mobile Services. Make sure that services with simple titles are well defined so that customers clearly understand what they are requesting and are “charged” appropriately for the work involved. Often, you can improve clarity by dividing complicated services into smaller components that are offered as separate services. When you’ve identified the most critical services and defined them clearly, it’s time to present them to customers in a clear and compelling way. Presenting Your Service Catalog Ideally, service catalog presentation should be simple, friendly, easy to use, and widely accessible. An online service catalog, such as one created with the ServiceNow platform, is readily accessible and easy to customize.

Also important is the ability to support and present the catalog on a wide range of device types, including mobile devices. This can be achieved in a matter of hours with ServiceNow. In addition to supporting multiple device types, an online service catalog must also be customized for the people who will use it. Consider the example of car sales. A catalog helps to set the scope and focus for both customers and the service provider. Different people buy cars for different reasons.



- **Wheelchair user: Wide door, easy opening**
- **Dog owner: Seats and carpets are easy to clean**
- **Shopper: Ample space, ease of parking at the mall**
- **Parent: Easy access to backseat, childseats fit easily**
- **Motor head: Engine size, capacity and specifications**

Rather than building and delivering separate services (cars) for these different customer groups, the car catalog presents one service (car) in ways that address the delivery expectations of these very different customer groups. The car company has massive databases and mechanisms for building the car, specifying it, promoting it, and delivering it. However, the customer only wants to know whether the car is wheelchair accessible or the seats and carpets are easy to clean. Similarly, you have a wealth of information underpinning the IT services. A good service catalog should contain various levels of detail. The top level identifies the customers' need. This is the information you obtain by communicating with the customers. Supporting each customer requirement, you should have multiple levels of supplementary information. These can be obtained from a foundational technical catalog or service level agreements (SLAs) you may have in place. Additionally, you may need information about critical components, related services, escalation paths, available training, and more. Building the complete picture enables effective communication with customers about the description of services, as well as what's in and out of scope.

The complete picture also helps you create a dashboard to display real-time performance against commitments. This example from ServiceNow provides performance information at a glance.



Ultimately, the service catalog should present IT services in a way that is familiar, engaging, and easy to navigate. Identify the customer requirement each service meets, and make selection and ordering easy.

The most effective service catalogs make it easy for the customer to track the progress of a service order, understand estimated delivery time, and optionally see the associated costs. As you design your service catalog, consider reviewing other catalogs for design ideas and implementation techniques.

If you have a tool like ServiceNow, consider building a service portfolio where the service catalog represents the components that are currently available. The portfolio gives you the ability to assess, qualify, and plan new services. When a service has been appropriately defined and approved, it can go live in the service catalog.

The Social Dimension

End users are typically on the front lines of business innovation and agility. With the introduction of social IT, organizations can learn from and are empowered by people who engage, collaborate and share knowledge. This inherently social community can help reduce costs, improve relevance and responsiveness while connecting people, process and technology. Use this community to get feedback on IT services and service catalog content. Collaborate by incorporating capabilities like live chat and live feed so your end users are integrated with and inspired by your IT department.



Conclusion

Clearly defined services and an easy to use service catalog demonstrate service management maturity. By providing what is commonly referred to as the 'one-stop shop', customers have an easy way to find and consume services. A good online service catalog often has a major impact on increasing the actual and perceived business value of IT, and can open the window to IT in new ways.

The Solution: ServiceNow Cloud Management

Cloud Management provides a single system of record, service catalog and role-based user portals for requesting and managing the lifecycle for virtual resources within your Hybrid cloud environment.

