Continual Service Improvement: From Strategies To Measurements

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Agenda

1. Review of different models described in ITIL
2. Balanced Scorecards For ITSM
3. Strategies, Goals & Objectives
4. Creating A Baseline
5. Three Types Of Metrics
6. Critical Success Factors and Key Performance Indicators
7. Incident Management Example
Let’s Look At Some Models

Continual Service Improvement Model

Service Measurement Model

Service Management Model
Continual Service Improvement Model

What is the Vision?
Business Vision, mission, goals and objectives

Where are we now?
Baseline Assessments

Where do we want to be?
Measurable Targets

How do we get there?
Service & Process Improvement

Did we get there?
Measurements & Metrics

How do we keep the momentum going?
Service Measurement Model

IT Scorecard or Balanced Scorecard

Point in Time Information

Service Scorecard

Service Dashboard

Real Time Information

Key Performance Indicators

 Rolled up Service Measurement Results

Component 1 Measure

Component 2 Measure

Component 3 Measure

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Service Management Model

Overall Service Management Process Scorecard

Process High Level Goal

Process Key Performance Indicators

Activity Measure One = number of urgent changes
Activity Measure Two = number of failed urgent changes
Activity Measure Three = number of unauthorized failed changes

Example = Improve Service Quality
Example Change Management = Reduce the number of failed changes

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Pulling It All Together
From Strategies To Measures

What is our vision?

What will success mean from these perspectives?

What are the goals and critical success factors?

What are the KPIs?

What are the critical metrics and measures?

Strategy Goals & Objectives

Financial Perspective

Customer Perspective

Internal Perspective

Innovation & Learning Perspective

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## Balanced Scorecard Approach

In order to improve a Service or Service Management process, you must look at it more than one way.

<table>
<thead>
<tr>
<th><strong>Financial</strong></th>
<th><strong>Customer</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce Cost</td>
<td>Improve Quality Of Service</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Innovation</strong></th>
<th><strong>Internal</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employ New Technology</td>
<td>Improve Management Control</td>
</tr>
</tbody>
</table>

**Example**

- Value
- Quality
- Performance
- Compliance

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## IT Balanced Scorecard

<table>
<thead>
<tr>
<th>Financial</th>
<th>Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ask customers how do we view the costs of IT provision?</td>
<td>What do we as customers expect of IT provision?</td>
</tr>
<tr>
<td>Understanding IT costs to the business</td>
<td>Availability of IT services</td>
</tr>
<tr>
<td>Ability to control IT costs to the business</td>
<td>Quality of IT services</td>
</tr>
<tr>
<td>Economy of IT provision</td>
<td>Performance of IT services</td>
</tr>
<tr>
<td>Return on IT infrastructure investments</td>
<td>Value for money IT services</td>
</tr>
<tr>
<td>IT contracts management</td>
<td>Reliability of the IT infrastructure</td>
</tr>
<tr>
<td></td>
<td>Support of hands-on IT users</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Innovation</th>
<th>Internal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does our IT infrastructure enable us to continue to improve the business?</td>
<td>What must our IT providers (internally) excel at?</td>
</tr>
<tr>
<td>Flexibility of the IT infrastructure</td>
<td>Service-oriented culture</td>
</tr>
<tr>
<td>Ability to control changes to IT services and the IT infrastructure</td>
<td>Skilled staff, bus. And IT expertise</td>
</tr>
<tr>
<td>Adaptability of the IT infrastructure to changing demand in the business</td>
<td>Efficiency of IT service provision</td>
</tr>
<tr>
<td>Communication and knowledge transfer</td>
<td>Service delivery times</td>
</tr>
<tr>
<td>Business productivity in relation to IT costs</td>
<td>Processing capacity</td>
</tr>
<tr>
<td>Harnessing (new) technology</td>
<td>Security</td>
</tr>
</tbody>
</table>

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Continual Service Improvement Model

Where do we want to be?

What is the vision?

Baseline Assessments

Business vision, mission, goals and objectives

Service & Process Improvement

Measureable Targets

How do we keep the momentum going?

How do we get there?

Measurements & Metrics

Did we get there?

Where are we now?

Where do we want to be?

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Strategies, Goals & Objectives

- What are your business strategy, goals and objectives
  - Next year and the following years?
  - Will your business model change, i.e., more internet services?
  - Will your business require new services?
  - How are you currently supporting your strategy and objectives?

- What are IT’s strategy, goals and objectives
  - How does IT support the business strategy, goals and objectives?
  - Help the organization transform itself
  - Support new business models
  - Improve the management of costs of IT
  - Improve service quality
  - Improve ability to meet regulatory requirements
Continual Service Improvement Model

- What is the vision?
  - Business vision, mission, goals and objectives

- Where are we now?
  - Baseline Assessments

- Where do we want to be?
  - Measurable Targets

- How do we get there?
  - Service & Process Improvement

- Did we get there?
  - Measurements & Metrics

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Create Your Baseline

- Do it now – not later
- Bad data is better than no data
- Provides immediate opportunity for improvement
- Helps you answer questions on ‘are we improving?’

Develop baseline for services
- Availability, reliability, time to market
- Percentage of services delivered within targets or SLAs

Develop baseline for processes
- Process maturity
- Key Performance Indicator (KPI)
  - Compliance, Quality, Value, Performance
- Activity Metrics
Continual Service Improvement Model

- What is the vision?
- Business vision, mission, goals and objectives

- Where are we now?
- Baseline Assessments

- Where do we want to be?
- Measurable Targets

- How do we get there?
- Service & Process Improvement

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How do we keep the momentum going?

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Define Where You Want To Be

- Define your measurable targets for improving services
  - Service quality
  - Availability
  - Reliability
  - Reduction of unplanned downtown time
- Define your measurable targets for improving Service Management processes
  - Reduce percentage of failed changes
  - Increase of percentage of changes implemented on time
  - Reduce Mean Time to Repair
  - Improved process and tool compliance
Continual Service Improvement Model

- What is the vision?
- Where are we now?
- Where do we want to be?
- How do we get there?
- Did we get there?

- Business vision, mission, goals and objectives
- Baseline Assessments
- Measurable Targets
- Service & Process Improvement
- Measurements & Metrics

How do we keep the momentum going?

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Three Types Of Metrics

CSI uses these metrics as input in identifying improvement opportunities for each process.

TECHNOLOGY METRICS
PROCESS METRICS

SERVICE METRICS
CSF vs. KPI vs. Activity Metric

- **CSF** – Critical Success Factor or High Level Goal
  Higher level measure – A measure of success or maturity of a project or process.

- **KPI** – Key Performance Indicator
  A measurable quantity against which specific performance criteria can be set defining targets.

- **Activity Metric**
  Very specific measure element of a process activity.
The Four Reasons To Measure

- To Validate
- To Justify
- To Direct
- To Intervene

Your Measurement Framework

- Strategy Vision
- Targets & Metrics
- Factual Evidence
- Changes, Corrective Actions

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Measuring At Different Levels

Availability can be expressed at several levels

% Service Level
% System Level
% Sub System Level
% Component Level

Service Email
System (Exchange)
System (Lotus Notes)
Platform (HW) (Exchange)
Software (Exchange)
Databases (Exchange)
Documents (Exchange)
Server 1
Exchange SW
Server 2
SQL DB
Policy Size Limit
Server 3

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Common CSFs Or High Level Goals

- A repeatable process for <insert sub-process here>
- Maintaining IT service quality
- Improving IT and/or business productivity
- Improving cost effectiveness
- Improving customer / end-user satisfaction
What KPIs Can Tell Us

Getting the whole picture:

KPI Categories are:

- **Compliance**: Are we doing it?
- **Quality**: How well are we doing it?
- **Performance**: How fast or slow are we doing it?
- **Value**: Is what we are doing making a difference?

A single measure may contain or cover more than one category.
## Example Incident Management CSF & KPI

<table>
<thead>
<tr>
<th>CSF: Maintain IT Service Quality</th>
<th>KPI #1: Increased percentage of Incidents resolved within target times by priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Why is it important and what it tells us about the operation?</td>
<td>Focused on managing Incidents in the proper order, improved escalation within the Incident Management process, and should have improved customer satisfaction.</td>
</tr>
<tr>
<td>How can it be measured and analyzed?</td>
<td>Reports against priority model and defined resolution times defined in SLAs.</td>
</tr>
<tr>
<td>The frequency for which it should be measured?</td>
<td>Weekly to start and then monthly. For critical customers it can be even more frequently.</td>
</tr>
<tr>
<td>How to present and distribute results?</td>
<td>Charts and graphs, distribute with analysis, what led to positive/negative results, and plan of action to take.</td>
</tr>
<tr>
<td>How the analysis of results can drive continuous improvement efforts</td>
<td>Identify potential weaknesses in priority model, escalations, and need for OLAs, or enforcement of SLAs. Could point to need to renegotiate SLAs.</td>
</tr>
<tr>
<td>How targets for performance can be set and revised</td>
<td>Negotiated with the customer for inclusion within the SLA. Reviewed as defined within the SLA.</td>
</tr>
</tbody>
</table>
Example Incident Management Activity Metrics

- Number of Incidents
- Number of Incidents by priority
- Number of Incidents by category
- Number of or percentage of Incidents resolved at first contact
- Number or percentage of Incidents resolved within SLA targets
- Number of Incidents closed

Be consistent in the interval for reporting
Continual Service Improvement Process

1. Define what you **should** measure
2. Define what you **can** measure
3. Gather the data (Who? How? When? Integrity of data?)
4. Process the data (Frequency? Format? System? Accuracy?)
5. Analyze the data (Relations? Trends According to plan? Targets met? Corrective action?)
6. Present and use the information assessment summary, action plans, etc.
7. Implement corrective action

**Identify**
- Vision & Strategy
- Tactical Goals
- Operational Goals

Goals

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Configuration Management System

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Strategy Goals & Objectives

1. 2. 3.

1. 2. 3.

1. 2. 3.

1. 2. 3.

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1. 2. 3.

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