1 Overview
The business benefits of Service Catalogue – how this delivers value to an organisation

It’s all the rage right now – ‘Service Catalogue’.

Every web forum and ITSM thought leader and vendor is leading on this topic and chasing the Service Catalogue ‘Holy Grail’. Perhaps we should engage Indiana Jones to search it out and demystify this phenomenon once and for all…?

So why all the fuss? Isn’t Service Catalogue a feature of ITIL and Service Level Management that has been around for some time? As such why is there this renewed interest?

These questions can be simply answered by 2 points:

(1) We are in a new phase in the evolution, understanding and development of IT Service Management and ITIL. Now the critical value and potential of ‘Service Catalogue’ is better understood, along with practical and tangible advice on how to make it work.

(2) More importantly there is an ever-growing business imperative driving IT organizations to deliver differentiated services and demonstrate their value – and Service Catalogue is a central key to the realisation of this.
So we have a business need to define and manage IT in a service-focused way – an IT version of Supply Chain Management. At the same time there is an improved awareness of the steps required to be able to deliver this.

### 2 IT Service Management (ITSM) and Service Value Management (SVM)

Regardless of the current credit crunch/recession/downturn/crash etc, one of the key questions every CIO has to answer to is this:

‘How do we demonstrate the value delivered by IT?’

It should be a simple question to answer, given that 99.9% of the world’s business and affairs are now wholly dependent on IT. However most IT organisations are poor at defining where and how they add value and justify their costs. In reality the majority of reporting that is produced from IT organisations tends to focus on internal operational activities that are of no interest or value to their business customers.

So the goal of any good IT organisation should be to deliver - and demonstrate that it is delivering – value from its services, or at least to show how its services contribute to the end goals of its customers. **Service Value Management** defines how an IT organisation can do this.

In practical ITSM terms this means:

Building a Service Catalogue to define the key IT components of a business service, then reporting actual performance of these components as a business service – (from the CMDB) and from Incident, Problem and Change performance data.

So – **Service A** will be defined in our service catalogue, comprising:

- Network X
- Hardware X, Y, Z
- Operating system A, version 2.1
- Application N, version 6.4
- Users n1 – n300

This information will be held as CIs in our CMDB, plus also data on location, customers, etc. However in the Service Catalogue it is
defined as a ‘bundled’ Service, comprising the above component parts. The SLA that is set up will refer to the service rather than to the components – this is often a mistake as IT organisations will try to negotiate SLAs on the actual IT components rather than the service.

We can then track and measure the actual performance and availability of these components and the service as a whole through our Incident, Problem and Change systems.

The ‘value’ element of this is to provide reporting that relates to the overall delivery of Service A, and not just its/ components.

In order to deliver Service Value Management (SVM) we therefore need:

1. Efficient integrated Incident, Problem and Change Management systems

2. Integrated SLM/Service Catalogue and CMDB systems (also integrated with Incident, Problem and Change)

3. Good reporting capability – tools and skills

Most ITSM development to date has focussed on 1 – so SVM can be seen as the next and more mature stage of ITSM. It requires quality SLM and CMDB capability, plus business analysis and reporting skills to identify and deliver quality Management Information (MI).

It is therefore important that our approach to ITSM implementation includes some strategic assessment of the SLM and CMDB requirements. At the very least we should be able to define the requirements and outputs for value-based reporting as well as operational inputs.

Ideally each ITSM Service Improvement Project should be aiming to help to demonstrate business value from IT Services – this should be set and measured as a clear project goal, with tangible objectives and deliverables.
3 Why Service Catalogue?

Service Catalogue is a hot topic which always raises these questions:

- What is a Service Catalogue?
- Is this an ‘Amazon’ catalogue of available products?
- What value does a service catalogue deliver?
- How do you practically make this work?

What is a Service Catalogue? In Service Management terms, the Service Catalogue is a fundamental part of any ITIL implementation – more importantly it should be central to the operation and delivery of every IT service provider.

The Service Catalogue contains a list of the ‘end-to-end’ services provided by the IT organisation – not the systems and components, but the actual service received by the customer. This is essential for management and monitoring of these services – without it the IT organisation cannot guarantee or demonstrate that is has a service focus.

The Service Catalogue contains the definition of the ‘supply chain’ of linked components – taken from the CMDB/CMS – for each IT service and therefore supports the delivery of differentiated levels of service, as well as multiple SLAs. Usually this is an internal IT document or system – ultimately it is the ‘business intelligence’ view of IT services.
An ‘Amazon’ catalogue? – often the ‘service catalogue’ is mistaken for a ‘shopping basket’ portal or system that is provided to give users the opportunity to order PCs, logins and simple requests. This is now referred to in ITIL v 3 as a ‘user request catalogue’ and is an external-facing system, usually linked to fulfilment, change or request management processes.

**What value does a Service Catalogue deliver?** The (Business and IT) Service Catalogue – in conjunction with the CMS/CMDB – unlocks the real value of all the ITIL processes:

- Incident management resolution is faster and cheaper – it’s easier to quickly diagnose incidents and also identify their relevant business priority with the combination of Service catalogue and CMDB.
- Problem management is more slick and intelligent – similarly root cause analysis can be better performed when there is a logical link that can be traced from CI to Service Catalogue.
- Change management can be more business-and risk aware etc. Risk analysis of changes and releases is again more business focussed as we can track the relevant business services associated with CIs.
- Services can be monitored, managed and delivered at different levels – so some services may have a low-cost focus whilst others are based on quality and business-driven implementation timescales.
- Reporting can be delivered at multiple levels including ‘service’ levels, where this applies to business services, not just IT services and components. Thus the IT organisation can really start to demonstrate its contribution and value to the business.
- Change and transition can be more agile and support business imperatives – i.e. time to market and time to value. Its simply easier and faster to change and implement new systems if they are better understood and defined by the IT organisation.

The service catalogue facilitates multi-level management and monitoring of (differentiated) services – so IT organizations can focus on delivering and demonstrating value from their services.

This is what we mean by ‘Service Value Management’ – i.e. having that capability to manage, deliver and monitor business...
services across the IT estate – often with different areas of focus, so some services will be cost driven and driven by others quality and time-to-market.

Without a service catalogue, what is an IT organization actually delivering? i.e. How does the IT organisation understand the business ‘supply chain’ that it is there to deliver without a list of these services and their component parts?

**Operating, Optimising, Transforming**

The Service Catalogue and CMDB link allows the organisation to deliver **Service Value Management**, as well as just IT Service Management.

This means:

**Operating and demonstrating value** – particularly from existing ITIL processes like Incident, Problem and Change

**Optimising business services** in line with business priorities – based on the ‘bundled’ services definitions in the Service Catalogue
**Transforming business services** quickly, securely and with ‘safe agility’ – i.e. with a clear understanding of impact and the business ‘supply chain’, so that other key services are protected from unnecessary downtime through change.

![Service Value Management and ITSM Diagram](image-url)
4 How do you make Service Catalogues work?
– some key practical points to achieve the ‘holy grail’:

- Get the right people involved – staff, management customers, starting with a business ‘top down’ focus

- Ensure that everyone has a clear and consistent view of what a Service Catalogue is and what it will deliver – workshops are useful here

- Identify clear criteria for your service catalogue and then define your IT Services

- Build a list of services with clearly defined owners, IT components, service models, configuration Items, SLAs, customers

- Ensure that you can logically link between services and CMS/CMDB components (CIs) – this provides the intelligent link via tools to fully unlock the value of ITIL processes

- Implement management reporting based around ‘service’ delivery, based on the service catalogue