

TECHNOLOGY BRIEF: SERVICE MANAGEMENT IN A BUSINESS CONTEXT

# Managing Services Within a Business Context With CA Service Level and Catalog Management

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# Executive Summary

## Challenge

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Business and IT organizations are struggling to align and/or integrate two organizations that, in the past, operated in different silos and with very limited interaction. And, bridging this communication and overall relationship gap is a critical first step in the journey towards a successful service management strategy. In many enterprises today, the business has little insight into the costs it may pay (directly or indirectly) or the quality of the services that IT delivers and supports for it. These services can be made up of applications, systems, networks and/or infrastructure, as well as the attributes of other IT resources. But without the correlation of the various and complex IT functions, processes and systems to their relevant business processes (sales, finance, supply chain and so on), it is difficult for business units to understand the importance or value IT actually provides.

## Opportunity

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Effective service level management (SLM) is fundamental to service management success. And, enterprises can quickly get on that road to service management implementation by starting with SLM and using it as the foundation for the alignment of IT services with business need. Through many engagements with a myriad customers, CA has learned that:

- Organizations may initially choose to start with a service desk as their entry into service management
- SLM has become the backbone for IT support processes

Moreover, SLM is often the most appropriate next step towards evolving into a service-focused IT organization that is aligned with the needs of the business.

## Benefits

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Implementing the CA Service Level and Catalog Management (SLCM) solution can help enterprises:

- Ensure that key targets for service success are being addressed
- Enhance customer satisfaction by meeting overall cost and efficiency goals
- Prove IT organizational value to the larger organization
- Meet IT service level goals in accordance with business and end-user objectives
- Provide IT-oriented metrics to measure the efficiency of a process or service and in order to prioritize the steps needed to streamline the business
- Generate data that provides a quantitative, reliable benchmark for measuring the value and cost of IT services

## Managing IT Services from a Business Perspective

Business consumers of IT services have little to no insight into the performance or quality of the services that technology delivers, or in other words, how well IT is delivering what was requested by the business. Evidence of IT performance is typically anecdotal and rarely based on factual metrics — and because nothing is defined, there is nothing against which to measure. The challenge for enterprises today, then, is how to integrate business and IT so it is a mutually beneficial relationship with clear and consistent expectations. And, many enterprises are looking to SLM as the next logical step in their service management journey. As such, it is imperative to understand what SLM is and how it can help.

As illustrated in Figure A, SLM provides a continuous loop to manage the demand of the business with the capabilities (supply) of IT.

This brief is a first in a series that describes the optimal road to managing services in a business context. It will specifically:

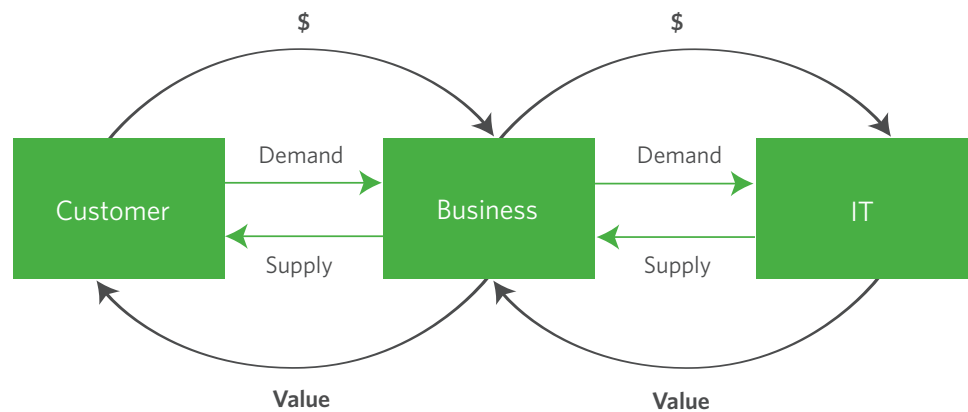
- Highlight the various aspects of SLM and the business challenges that SLM addresses
- Summarize the value to be gained from SLM by an organization
- Explain the role of Information Technology Infrastructure Library (ITIL®) in SLM
- Provide an overview of how to begin a journey towards a successful SLM implementation

The two follow-on technical briefs are summarized below.

FIGURE A

SLM helps balance the demands of the business with the capabilities of IT

### SLM HELPS INTEGRATE IT AND BUSINESS SILOS THROUGH A CONTINUOUS PROCESS



### **An Organizational View of SLM**

Organizations monitor and establish meaningful service level agreements (SLAs) at multiple levels within the enterprise. And as such, SLAs can have different meanings to different organizational layers. These include:

**BUSINESS LAYER SLA CONTRACTS**, which are defined, negotiated and agreed to by both the business and IT. At the business layer, SLAs need to be measured in business terms and regarding how services are delivered and consumed. An example of a business layer metric would be measuring the overall performance of IT in enabling and delivering computing resources for a critical business function, such as supply chain, customer service or financial reporting.

**SERVICE OPERATIONS LAYER**, where the focus is internal and on IT — and very similar to how ITIL defines the operational level agreement (OLA). At this layer, metrics are defined and managed for IT-relevant processes and functions. An example of a service operations view would be the measurements associated with the performance of the service desk or help desk, where IT is concerned with mean time to repair (MTTR) and the like.

This layer acts as the bridge between the businesses-defined service (at the business process level) and the specific IT resource performance level. By aligning technology resources into consumable services, IT can more relevantly report on performance and quality within the context of the businesses use of those resources.

**IT INFRASTRUCTURE LAYER**, which provides a detailed view of the performance of computing resources at the infrastructure level. This layer includes such items as network, server, storage and database components, in addition to CPU utilization, network performance, database tuning and so on.

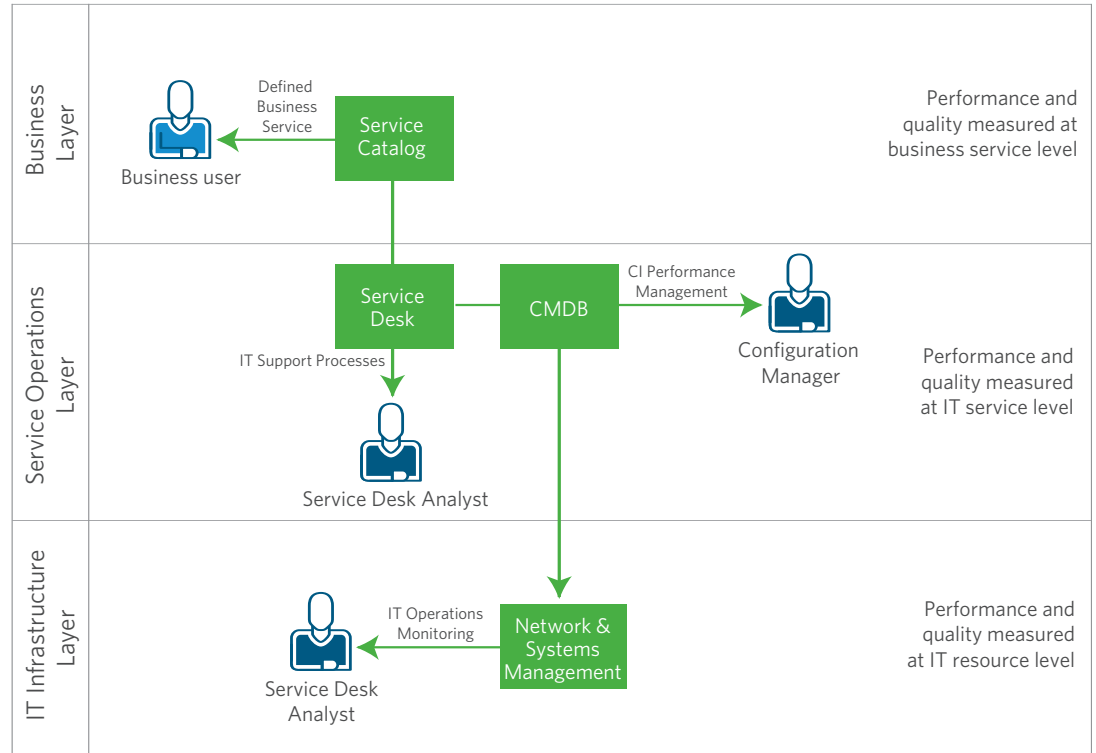
It is usually an existing and mature function in many organizations and typically an embedded responsibility of IT operations that is facilitated through the use of network and systems management technologies.

Figure B demonstrates how the SLM layers are viewed from a technology and organizational perspective.

**FIGURE B**

The three SLM layers cover technology infrastructure, service operations and business needs

**THERE SHOULD BE THREE VIEWS OF SLM**



**A Practical Guide to Implementing SLM**

Because it involves various processes, and in many cases, disparate systems, SLM can be a complex solution to deploy. Thus, in the third paper, we discuss the concepts and methods for a successful and phased implementation of SLM — and leverage our best practices and the knowledge gained through years of delivery to outline a step-by-step best-practiced-based approach.

Some of the concepts we cover, include:

**ASSESSMENTS** The role and importance of examining the process, technology and organizational aspects of SLM within an enterprise cannot be overstated. ITIL recommends starting with an assessment for a process area and CA recommends the same. As such, our paper itemizes some of the methods for assessing the various areas related to SLM and why they are important.

**PHASING** Regardless of the approach, an SLM implementation can take organizations many years to complete, and however daunting or discouraging the scope may be, it is very important not to attempt too much too soon. As such, our paper outlines various phasing approaches, which are all focused on rapid time to value realization and incremental deployment.

**PROCESS** Process analysis and alignment, is of course, important for a successful SLM implementation. Thus, our paper describes the type of functional business process knowledge needed to successfully install an SLM solution.

**ARCHITECTING AND INTEGRATING** In order to realize much of the potential value of SLM, an integrated architecture is critical. To that aim, our paper discusses how to leverage the data collected and managed within the IT management systems common to organizations, such as the service desk, a centralized database, network and systems management tools, identity and access management tools and IT asset management systems, within the SLM system.

### **Differing Views of SLM**

SLM (without the inclusion of service catalog management) can be defined differently for and by every organization; it can be broad and encompass many complex processes and functions or it can be more straightforward. For example, Enterprise Management Associates (EMA) IT Management Solutions Center defines SLM as “the process of setting, measuring and ensuring the maintenance of service goals. SLM defines the metrics for measuring service success, a means for monitoring those metrics and a process for responding when the metrics are not being met or are at risk of not being met.”<sup>1</sup>

According to ITIL v3, however, SLM is a process that “negotiates, agrees and documents appropriate IT service targets with representatives of the business, and then monitors and produces reports on the Service Provider’s ability to deliver the agreed level of service.”<sup>2</sup>

CA concurs with both of these basic definitions, but also extends them to include the role of the service catalog and financial insight capabilities. We do so because we believe SLM is a process-oriented solution through which IT and its customers/users define, monitor and control the services that IT provides, while ITIL v3 describes SLM and Catalog Management as separate processes. CA believes that they should be integrated into a complete solution. The CA Service Level and Catalog Management Solution includes:

- The discovery of business demand; what the business needs
- The definition of the services; what IT does
- The alignment and agreement of the parties through a formal arrangement; an SLA
- The recognition and assessment of the costs of IT; cost/value alignment of services
- The ongoing monitoring and improvement of the performance of IT; service metrics

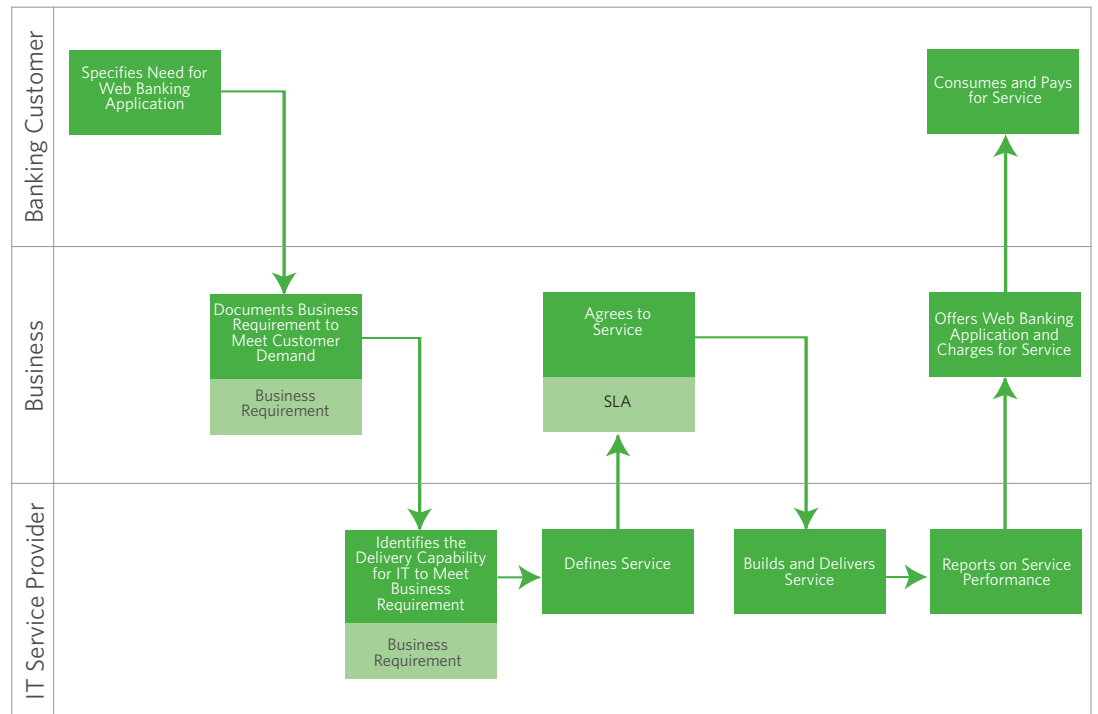
For example, a financial services firm recently surveyed its banking customers and the results showed that its web system was performing poorly. From these results, the institution developed a new strategic plan, which included a goal to increase the number of personal bank accounts by 40% and outlined a new business requirement. This business requirement called for the deployment of a new web banking application to address the online banking needs of existing customers, while also attracting new customers with its features and functionality. In order to fulfill this requirement, the business engaged with IT through a formal SLM process. And, that process outlined how IT will design and deliver a service to meet the specific business requirement. Additionally, this process defined how the service will be funded, monitored for performance and operationally supported.

Once the business unit defined its need for the new banking application through a business requirement, IT worked closely with that BU to specify how and what it had to deliver to meet it. To that aim, IT developed a service specification that detailed how it would fulfill this need via formal IT services (access, hosting, application development, systems administration and so on.) These services were then mapped to the delivery of the overall business requirement and established an expectation regarding quality and cost. And, once the business and IT were in agreement (through an SLA) for the new business service, IT developed and deployed the service. Once the service was operational, IT monitored and reported to the business on the use, performance and value (based on cost, risk, revenue contribution, efficiency and so on) of the service.

FIGURE C

The SLM process for this application addresses IT, business and customer issues

AN EXAMPLE SLM PROCESS IN A WEB BANKING APPLICATION



## A Starting Point for Business-Oriented Service Management

CA's vision is to deliver a unified approach to service management that provides a complete, 360° view of the entire service lifecycle - from service strategy and design to operations - and culminating in continuous service improvement. This approach includes:

- Aligning all management activities with the services provided to the business
- Providing deep insight into how the infrastructure supports business services
- Using a portfolio/catalog approach to define and manage services
- Providing a complete view of all attributes of a service — not just the assets

### CA Service Level and Catalog Management

While there are many roads enterprises can take to begin their service management journey, service level management is often a logical starting point.

CA Service Level and Catalog Management is a unified solution that simplifies the process of negotiating, defining, managing and improving the quality of IT services at an acceptable cost to the business. It helps transform the way IT is managed, delivering value by creating and developing IT services that help drive the successful execution of an enterprise's business strategy. And, it measures, manages and reports on overall IT service performance while also providing operational transparency to demonstrate the business value that IT provides.

CA SLCM provides the following capabilities to assist you in service level management:

- Better alignment of IT services with business defined needs
- A central source of information on IT services delivered
- Simplified administration and management of IT services
- Mechanisms to ensure that IT and the business have a clear — and shared — expectation of service quality
- Simplified management throughout the entire service lifecycle
- Support of the proven repeatable processes found in ITIL
- Financial transparency so a business unit can achieve visibility into service costs and select the level of service most appropriate to its needs
- Unified service support and service delivery under a central strategy

### The Role of the Service Catalog

The adoption and use of ITIL v2 as a framework has enabled enterprises to transform IT from a reactive “break/fix” and support model to a more proactive service provider model. As organizations have matured, these support areas they have begun to turn to the tactical process areas of service delivery to facilitate more efficiency and better business alignment. In terms of a starting point, SLM is a very reasonable process area to being an ITIL v2 implementation.

However, the more mature enterprises are reviewing the latest version, ITIL v3, where the service lifecycle becomes a key focus — and with an emphasis on service principles, processes, roles and performance measures. In other words, all services must provide measurable value to business objectives and outcomes in ITIL v3.

In addition, the role of the service catalog has been positioned as a key component in the overall service lifecycle. The service catalog provides a central source of information on the IT services delivered by the IT service provider organization. CA believes that a complete SLCM solution should minimally include:

- IT services and service level agreements
- Service catalog
- Financial accounting for IT services
- Service performance and improvement

### ENABLING BUSINESS-CENTRIC SERVICE DELIVERY

CA Service Catalog defines and publishes service offerings in business terms, with appropriate quality and cost attributes. In this way, it helps enable IT to meet the demand for technology and business services, in addition to their efficient delivery based on negotiated service levels. Some of the key capabilities of CA Service Catalog include:

- Self-service through the catalog
- An end-user web store for a single point of contact for services
- A catalog service builder and publisher
- Organizational modeling to define and map services to a business model
- A reporting and service dashboard
- Workflows that allow service requests to be actionable

*A large full-service electronics supplier utilizes CA SLCM to monitor and measure infrastructure service levels that align IT efforts with business needs. With the solution, it is able to accurately report on the systems that comprise its operations and in order to meet the requirements of the ITIL Service Level Management and Service Catalog Management processes.*

The integration of CA Service Catalog with CA Service Accounting, key components of CA SLCM, provides usage-based cost capture that helps business units to understand the value of IT resources and base their service demands on actual utilization. Each service has associated cost attributes, and as such, business units can base financial decisions on real costing data. This combination provides a financial management capability that includes detailed financial analysis based on resources and IT service activities completed. As a result, it provides the financial transparency for the business to more easily control service costs and select and subscribe to the appropriate level of services, all while managing their volumes. Key capabilities include:

- IT usage billing and reporting
- Flexible costing and pricing
- Actual usage data from all data sources
- Invoice generation

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## SECTION 3: BENEFITS

### Delivering Services in a Business Context

The organizational adoption of formal processes to define, manage and monitor IT services is a critical element for SLM success. And, CA SLCM offers you the operational transparency needed to demonstrate the business value that IT delivers while also increasing the flexibility of your IT operations by helping you minimize risk and harness change.

CA SLCM provides many important and compelling features, such as:

- Providing the method for defining and aligning IT services to specific business requirements and goals to improve IT/business communications
- Establishing SLAs that are related to defined services to more accurately understand the impact of IT's performance on the business
- Providing business process automation via a service catalog; through workflow and system integrations the process of performing approvals and delivery of service can be greatly enhanced
- Defining and documenting service offerings with their corresponding costs sets and managing the expectations of what the business receives from IT and at what cost

CA understands that a successful SLCM engagement doesn't start and end with products; software can only build upon and improve solid processes. CA SLCM helps you measure and meet IT service delivery goals through process design and adoption techniques that focus on accelerating your time to value for CA software. CA Services follow ITIL v2/v3 industry guidelines for service delivery and the service lifecycle. Combined, these products and services ensure that you can reduce costs by streamlining and automating the processes required to successfully manage your services in business terms.

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## SECTION 4: CONCLUSIONS

While the road to SLM can be a long and challenging one, the combination of CA technology, services and business acumen can provide you the direction needed to simplify your journey. CA SLCM helps you to efficiently manage the demand for and delivery of IT services with a focus on business alignment and financial stewardship.

More to the point, CA can help you deliver IT services that support your business objectives while also helping you manage complex IT resources, negotiate tighter budgets and respond to demands for improved business-relevant IT services.

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## SECTION 5: REFERENCES

<sup>1</sup> Enterprise Management Associates (EMA) IT Management Solutions Center website, [itsolutions.emausa.com](http://itsolutions.emausa.com)

<sup>2</sup> Crown Copyright, Reproduced with Permission of the Office of Government Commerce.

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## SECTION 6

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### About the Authors

Jason Baldree is a Senior Director in the Global Practices for CA Services. He currently manages the global practice for Service Level and Catalog Management (SLCM), where he is responsible for defining the standards and methods for delivering SLCM solutions. Previous to CA, Mr. Baldree served in management positions for a large systems integrator and a risk management consulting firm.

Steve Widen has over 25 years experience in the IT industry and is a Senior Product Marketing Manager for CA. He is currently responsible for Service Management Product Marketing. Prior to joining CA, Mr. Widen held a variety of management, product marketing and product management positions at many IT companies, including EMC, Compaq, Digital and Data General.

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To learn more about the CA Service Level and Catalog Management solution, visit [ca.com/us/solutions/](http://ca.com/us/solutions/) and for more information on CA and ITIL, visit [ca.com/itil](http://ca.com/itil).

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## Notes

CA (NSD: CA), one of the world's leading independent, enterprise management software companies, unifies and simplifies complex information technology (IT) management across the enterprise for greater business results. With our Enterprise IT Management vision, solutions and expertise, we help customers effectively govern, manage and secure IT.

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Learn more about how CA can help you transform your business at [ca.com](https://www.ca.com)

