

ITIL® 4 Managing Professional Transition

Module 2 Study Guide



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Welcome to your Study Guide

This document is supplementary to the information available to you online. You can use it to study offline, to print out and to annotate key points as part of your studies.

Study Guide Icons

	Tip	This will remind you of something you need to take note of or give you some exam guidance.
	Definition	Key concept or term that you need to understand and remember.
	Role	Job title or responsibility.
	Purpose or Objective	For a process, practice or activity.

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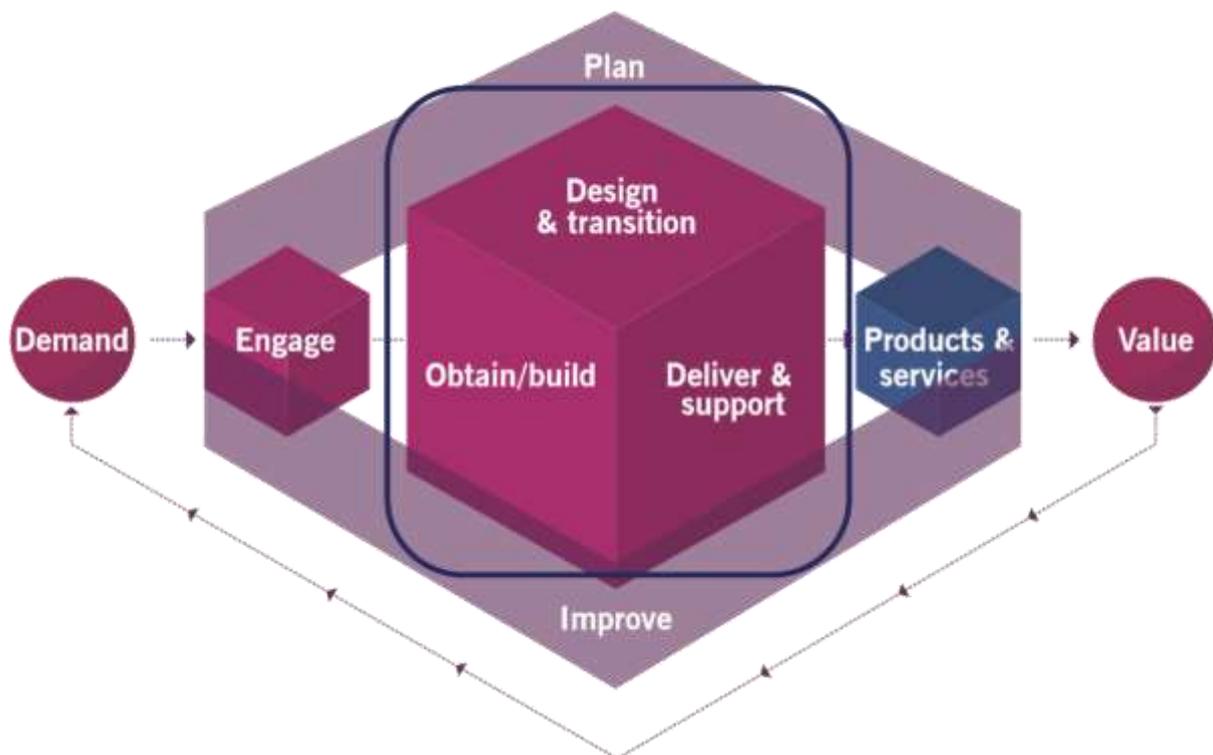
1 Module 2 – Create, Deliver and Support



The objectives for this module were for you to study:

- How to plan and build a value stream to create, deliver and support services
- How value streams can be used to design, develop and transition new services
- How value streams can be used to support services
- How to manage workload during Create, Deliver and Support (CDS) activities

This diagram shows the scope of the create, deliver and support (CDS) manual.



Based on ITIL 4 Foundation fig. 4.1 The ITIL Service Value System

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The ITIL 4 CDS manual describes how to “*make service management work, how to adapt and adopt best practices, and how to make the Service Value System a reality for your organization.*”

It is described as the ‘glue’ of the service lifecycle and focuses on how service management delivers value. Value itself is a moving target as what is valuable today may change tomorrow.



This module is where the more advanced study material begins (Blooms Level 2 and 3). We will use a case study during this module and the rest of the course modules to help explain the key concepts and bring them to life. Make sure you have downloaded and read the case study from your documents area.

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2 Lessons 1-3 – SVS Key Concepts and Challenges

The way an organization is structured will have an impact on how it works. Structure affects how people work together, how decisions are made, and how new ideas are shared.

	Functional	<p>Functional structures are typically hierarchical, with defined formal lines of authority, clear roles and responsibilities and clear allocation of power and responsibility</p> <p>Examples of functions could be sales, finance, IT etc.</p>
	Divisional	<p>Divisional structures are based around organizational entities such as markets, products, or geographical areas.</p> <p>In a divisional structure, each division may operate as an individual entity with its own profit and loss, support teams etc.</p>
	Matrix	<p>A matrix structure occurs when staff have dual reporting lines; for example, to a line manager and a product manager for a piece of work. Matrix organizations are represented as a grid of relationships, and often describe 'pools' of people who can move between projects and products. They can support more agile ways of working and rapid reconfiguration of resources.</p>
	Flat	<p>Flat organizations have very little hierarchy and can support fast decision making by enabling autonomy. They may, however, create challenges as an organization grows.</p>

Table 1 – Organization Structures

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The key differences between organizational structures are often defined by:

- Grouping/team basis (e.g. product, function, customer)
- Location – co-located or not
- Relationship to value streams – responsible for individual step(s) or an entire value stream
- Levels of autonomy and authority (command and control vs. delegation or self-organizing teams)

Digital transformation requires organizations to be more flexible and agile, which has an impact on structure. Matrix structures, resource pools and the ability to use external staff can all offer benefits. Some organizations are moving from project based to product-based teams to provide consistency and ownership from demand to value. Any change in organization structure should have appropriate change management controls applied.

2.1 Servant Leadership

In addition to changes to organizational structure, the digital economy is imposing new challenges to organizational leaders. Servant leadership is an approach that allows leaders and managers to focus on supporting rather than directing staff.

	Servant Leadership	<p>Servant leadership is a leadership philosophy in which the main goal of the leader is to serve. This is different from traditional leadership where the leader's main focus is the thriving of their company or organizations. A Servant Leader shares power, puts the needs of the employees first and helps people develop and perform as highly as possible.</p> <p>Source: https://en.wikipedia.org/wiki/Servant_leadership</p>
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2.2 Collaborative Culture

Collaboration and cooperation are separate concepts that should not be confused. Collaboration requires active and passive participation from all people and groups in the organization to be effective. Cooperation is often based around goals; a group that is focused on its own goal can become a silo. For collaboration to take place, goals and KPIs for groups need to be shared, integrated, and aligned to organizational goals.

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Table 2 shows some of the differences between collaboration and cooperation.

Collaboration	Cooperation
Work together towards a shared goal / objective	Separate goals can lead to silo working
Shared and integrated goals	Aligned goals
Everyone succeeds or fails together	Individuals and teams succeed independently
Goals and resources aligned in real time	Cooperative, friendly, willing to share information
Technology is necessary but not sufficient	Technology is necessary but not sufficient
Needs respect, trust and transparency	Less need for trust and transparency
Needs multi-channel communication (stand ups, face-to-face, active listening, tool-mediated, etc.)	Needs effective communication
Everyone needs to understand how they contribute to the big picture	Everyone needs to understand their own role
Need to understand PESTLE factors for all stakeholders	Need to understand PESTLE factors for own role

Table 2 – Collaboration and Cooperation

	<p>PESTLE</p>	<p>PESTLE analysis looks at these factors as part of an analysis:</p> <ul style="list-style-type: none"> ▪ Political ▪ Economical ▪ Social ▪ Technological ▪ Environmental ▪ Legal
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The work that a team does may be classed as algorithmic or heuristic.

Algorithmic tasks:

- Follow a defined process, with established instructions
- Follow the rules
- Have clear inputs, outputs, instructions, branches etc.
- Include reassignment and handover between teams where needed
- People doing the work may recognize opportunities to improve how it is done. This should be part of their role.

Heuristic work:

- Depends on human understanding and intervention
- Learn or discover what is needed
- Needs flexibility, information, knowledge and experience
- Collaboration, swarming and DevOps often appropriate
- New insights can be recorded for future use, moving some work to algorithmic (removing 'toil')



You can learn more about swarming in this episode of the ITSM Crowd:

<https://www.youtube.com/watch?v=bjmX0pVXhn0&t=5s>

Collaboration happens within IT, as well as with service consumers, service provider employees, shareholders, regulators, partners, suppliers, and any other relevant stakeholders. Whether an organization offers Business to Business (B2B) or Business to Consumer (B2C) services also has an impact on the stakeholders it will need to collaborate with. Technology such as Slack can support collaboration, but don't forget the guiding principle is to collaborate and promote visibility. Don't lose information because it's hidden in a tool.

2.3 Teams, Roles and Competencies

Traditionally, IT roles were focused on areas such as designer, programmer, business analyst, or support analyst. Organizations now require staff to be more flexible and have the ability to change their role. Business skills like relationship management, team leadership, negotiation, supplier and contract management are also required.

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2.4 Team Culture and Differences

Culture is made up of values, beliefs, attitudes and behaviors. Culture may be unspoken and unwritten, but it can be observed by looking at how people treat each other and how they work together in an organization towards goals. Teams may have a separate culture, but they will be influenced by the organizational culture.

2.5 Developing a Customer-orientated Mindset

A customer-orientated mindset puts the customer at the heart of everything. It cares about customer experience and makes decisions with customers in mind.

This is supported by the ITIL 4 guiding principle 'focus on value'.

Happy employees are a secret weapon for happy customers. Enthusiastic and engaged employees are your best marketing department. Empowered employees can help customers and deliver a better customer experience (CX). If employees are happy and have a service and customer-orientated mindset, they will be much more likely to put customer needs first.

Consider these steps to create a customer-orientated strategy:

- Create a customer value proposition (CVP) – balance benefits and loyalty
- Map the customer/user experience journey – consider all touchpoints
- Recruit customer-friendly staff
- Treat employees well – happy employees make happy customers
- Train/coach staff on the customers, products, and industries they support
- Walk the talk. Senior managers should lead by example
- Listen to the voice of the customer (VoC) – surveys, meetings, etc,
- Use lots of feedback data: Consider using a balanced scorecard of metrics
- Empower staff: Give them the authority to solve customer issues

2.6 Employee Satisfaction Management

If happy employees lead to happy customers, it's important to measure and understand how happy employees are. This can be based on many measures such as culture, climate, activities, overall satisfaction. It's important that the results of measurement are seen to drive improvements, or employees will stop engaging with the measurement process.

Employee satisfaction can be measured through:

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- Surveys – by individual, team or the whole organization
- Formal and unstructured meetings
- One-to-one meetings
- Reviews of data like sickness, number of leavers
- Morale indicators – such as a happy/sad face button in the canteen

Some organizations use an external company to run employee surveys to provide anonymity and more open feedback. Survey planning needs to consider:

- Survey sponsor and purpose
- Employees to be surveyed
- Data collection methods
- Attributes being measured
- Start and end date
- How the survey data will be used

2.7 Positive Communications

Good communication is at the heart of teamwork but can be challenging when teams aren't co-located. Communication happens within the team and outside the team. Good communication is an important skill for an ITSM professional. Positive communication is based on these principles:

- Communication is a two-way process
- We are all communicating all the time
- Timing and frequency matters
- There is no single method of communication that works for everyone
- The message is in the media

What does good look like when communicating? Good communication:

- Starts with listening
- Is efficient, responsive, professional, effective and human-centred
- Establishes positive relationships
- Reduces problems and stress
- Recognizes intellectual and emotional needs
- Promotes trust, empathy, and shared goals
- Identifies issues and improvement opportunities
- Includes emotional, business and technical responses
- Is timely, based on appropriately set expectations

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- Is simple, short, relevant, limited to what is needed, and free of jargon

This is supported by the ITIL 4 guiding principle 'keep it simple and practical'.

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3 Lesson 4 – SVS Planning and Resource Management

3.1 Team Collaboration and Integration

People management is easier when there is a great team culture to support it. Organizations need to honestly identify where their level of team work is now, and then identify what areas they might need to change.

To create a great team culture, consider:

- Create the bigger vision for the team
- Create leaders and managers
- Meet regularly
- Integrate socially (within appropriate boundaries)
- Provide feedback
- Create and promote a learning culture
- Cross-train employees
- Encourage informal teams

3.2 Workforce Planning

Workforce planning looks after one of the organization's most important (and expensive) assets. Roles (and their associated knowledge, skills and attitudes) are required to:

- Manage business as usual (BAU)
- Exploit emerging technologies
- Provide leadership and organizational change
- Position the organization for future strategic plans

	Purpose	<i>“The purpose of the workforce and talent management practice is to enable organization, leaders, and managers to focus on creating an effective and actionable people strategy (analysing the current workforce, determining future workforce needs, identifying the gap between the present and the future, and implementing solutions) so that the organization can achieve its mission, goals, and strategic objectives”</i>
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Workforce and talent management is involved in the whole value chain:

- **Plan:** Understand current and future skills requirements, and staff turnover
- **Improve:** Continually adapt to meet evolving business needs
- **Engage:** Understand & forecast changing demand for services and how this will impact workforce
- **Design and transition:** Understand competences needed for Agile, DevOps, etc. define training plans
- **Obtain/build:** Training, mentoring, succession planning, recruiting or sourcing skills
- **Deliver and support:** Measure how knowledge, abilities and attitude impact practices

We studied the definitions of T-shaped, Pi-shaped and Comb-shaped individuals.

	<p>T-shaped</p>	<p><i>“T-shaped individuals are experts in one area, with knowledge of other areas. For example, a developer or tester who also has knowledge of accounting, or other business applications”</i></p>
	<p>Pi-shaped</p>	<p><i>“A pi-shaped person is one who is strong in two (or more) areas, plus the knowledge of other areas. For example, someone who can both design and develop is desirable for many agile organizations, as well as someone who has good testing skills. In the past, pi-shaped people were often more senior staff, having built up their skills over time working in different domains. That model has changed in the last few years, with new hires arriving at organizations with the skills in multiple areas, not yet having specialized on any one specific areas. T shaped people also tend to be inquisitive; they like to learn new skills and will acquire as opportunities are made available. Although a clear focus on one competence creates deeper understanding, it can be dangerous to have just one area of profound expertise</i></p>

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		<i>since the value of any single domain within this self-renewing industry can erode rapidly."</i>
	Comb-shaped	A comb shaped person has built up multiple specialisms; for example, someone who has changed career from a business role to an IT role. Comb shaped people have to ensure they have the required depth of knowledge for the tasks they are undertaking.

3.3 Results Based Measuring and Reporting

Today, measurements need to focus on both outputs and outcomes.

	Outputs	<i>"Outputs are a measure of what your function or organization produced. Output measures are necessary for a function to understand its efficiency, effectiveness, and quality; however, it does not measure the value or impact that your services provide for your customers/consumers. Most process metrics are outputs, as they are one component needed to provide the value that the customer expects. It is the combined outputs of all the processes and activities that create the outcomes."</i>
	Outcomes	<i>"The Outcome is the level of performance or achievement that the business achieved due to the activities or services your organization provided. Results-based measurements are typically defined as the regular measurement of outcomes and results, which provides information on the effectiveness and efficiency of the services. The inputs to the service included the people, capital, and other assets (customer and service provider) used to conduct the activities that deliver the services. The purpose of results-based measurements is to understand how well the services are meeting the needs of the</i>

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		<i>customer or is there value in the services provides. There are many quantitative measures provided by operations or administrative groups, typically around the efficiency of the operations or process."</i>
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Organizations will measure across the ITIL 4 dimensions:

- Organizations and people
- Information and technology
- Partners and suppliers
- Value streams and processes

When measuring people, measure both behaviours and results. Measure behaviours when:

- There is no strong relationship between behaviours and results
- Outcomes are far in the future
- Results are not in the control of the people being measured

Measure results when:

- There is a clear link to behaviours
- People have the skills, ability and autonomy to complete work
- People need to feel motivated to deliver results

Organizations measure for many reasons, including:

- To identify their current and planned future state
- To measure achievement of improvements, changes, or plans
- To measure progress towards goals or objectives
- To support business decisions
- To drive behaviours
- To understand how well services are meeting customer needs/expectations
- To identify opportunities for improvement

This is supported by the ITIL 4 guiding principle 'think and work holistically'.

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3.4 Culture of Continual Improvement

ITIL 4 continues to emphasise the importance of a culture of continual improvement. As with previous versions of ITIL, this will include:

- Identifying the right people to drive improvement (and having plans in place in case they leave)
- Leading by example
- Transparency and trust
- Celebrating success
- Making time for improvement and treating it as part of daily work

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4 Lessons 5-6 – Practices and the SVS



Remember that ITIL 4 uses the term practices to describe a broad set of capabilities that include processes.

4.1 Value Streams

Every value stream starts with demand and ends with value. A value stream includes some or all of the ITIL 4 value chain activities. Activities can happen sequentially or in parallel, or in iterations during an Agile/DevOps style development.

4.1.1 Value Stream for a New Service

To build a value stream for a new service, we need to map it end-to-end and look at all the possible activities between demand and value co-creation. Many different teams could be included. The value stream focuses on the whole customer journey, taking an 'outside-in' approach, and involving all stakeholders as early as possible.

New services may be developed using an Agile or a waterfall approach.

	Agile	<p>Agile software development is an approach to software development under which requirements and solutions evolve through the collaborative effort of self-organizing and cross-functional teams and their customer(s)/end user(s). It advocates adaptive planning, evolutionary development, early delivery, and continual improvement, and it encourages rapid and flexible response to change.</p> <p>Source: https://en.wikipedia.org/wiki/Agile_software_development</p>
	Waterfall	<p>The waterfall model is a breakdown of project activities into linear sequential phases, where each phase depends on the deliverables of the previous one and corresponds to a specialisation of tasks. The approach is typical for certain areas of engineering design. In software development, it tends to be among the less iterative and flexible approaches, as progress flows in largely one</p>

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		<p>direction ("downwards" like a waterfall) through the phases of conception, initiation, analysis, design, construction, testing, deployment and maintenance.</p> <p>Source: https://en.wikipedia.org/wiki/Waterfall_model</p>
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Table 3 shows an example of the activities and value chain interactions for this type of value stream:

Step	Activities
Demand	<p>The trigger is demand for a new or changed service, which might come from:</p> <ul style="list-style-type: none"> ▪ A consumer ▪ An external stakeholder (e.g. supplier or regulator) ▪ A business function (e.g. sales or marketing) ▪ The organization's governing body
Acknowledge and Document Request	The organization will engage with the requestor and other stakeholders. The objective is to gather information to contribute to a viability assessment.
Assess the Requirements	The organization must plan whether to invest resources. The objective is to conduct a viability assessment and invest the resources needed to fulfil the request.
Design the Service	Design the new service and service components. The objective is to create a service design package and translate the requested features into component specifications.
Create and Validate Service Components	The organization will obtain or build service components according to the specification. The objective is to create fit for purpose and use service components ready for deployment and eventual release.
Make New Features Available to Customers	The organization will start to deliver and support the new service. The objective is to make features available to users, provide early life support, and transition into BAU delivery.

Table 3 – New Service Value Stream

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The practices that might support the creation of a new value stream include:

- Portfolio management
- Business analysis
- Risk management
- Financial management
- Architecture management
- Service design
- Capacity and performance management
- Availability management
- Information security management
- Service continuity management
- Supplier management
- Project management
- Software development and management
- Infrastructure and platform management
- Service level management
- Service validation and testing
- Deployment management
- Release management
- Change enablement

4.1.2 Value Stream for User Support

Value stream mapping can be used to improve existing value chains, for example looking at user support. Most organizations will have a standard incident value stream with some adaptations for specific circumstances such as VIP users or major incidents. Existing value streams need to be assessed when there is a new or changed service to ensure they are appropriate. Touchpoints with other practices need to be mapped.

To create a value stream for user support, you will need to consider areas such as:

- Stakeholders
- Internal or external resources
- Escalation paths and work methods: dedicated, standby, swarming, self-support, shift left
- Hours and levels of support

The practices that might help to improve a user support value stream include:

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- Incident management
- Service desk
- Risk management
- Knowledge management
- Supplier management
- Service configuration management
- Monitoring and event management
- Problem management
- Software development and management
- Infrastructure and platform management
- Financial management
- Service validation and testing
- Deployment management
- Continual improvement
- Service level management

4.1.3 Value Stream Summary and Key Concepts

	Value Stream	<i>"A value stream is a series of steps an organization undertakes to create and deliver products and services to consumers."</i>
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A value stream can:

- Include some or all ITIL 4 value chain activities
- Repeat value chain activities where appropriate

A value stream must work within the constraints and policies set out by the organization.

A value stream could be described and documented with fields including:

- Name
- Owner
- Description (including use case)
- Demand
- Trigger
- Outcomes

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- Value created
- Estimated or target lead time

Value stream inputs include:

- Demand (often via a trigger or an event)
- information provided by stakeholders or another value stream
- Service provider resources from one or more ITSM practices (people, information, tools, partners, suppliers etc.)
- Consumer resources (funding, location, identity etc.)

Value stream outputs include:

- Creation or restoration of service value through products and services
- Artefacts (records, outputs) that can be used to create intended outcomes for consumers
- (Where relevant) Modification of resources, e.g. creating new skills and competencies, or updated knowledge items
- (Where relevant) Triggers for other value streams, e.g. a new employee value stream can trigger security and facilities value streams

A step in a value stream can be:

- A process from an organizational practice
- A value stream from another organization

Value streams help organizations focus on these guiding principles:

- **Focus on value**
- **Progress iteratively**
- **Collaborate and promote visibility**
- **Think and work holistically**

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4.2 Managing Queues and Backlogs

Queues and bottlenecks interrupt the flow of work, and overload can lead to burnout and low morale. Approaches like Lean, DevOps and Kanban emphasise a focus on managing the flow of work.

	Kanban	Kanban (看板) (meaning signboard or billboard in Japanese) is a scheduling system for lean manufacturing and just-in-time manufacturing (JIT). Taiichi Ohno, an industrial engineer at Toyota, developed Kanban to improve manufacturing efficiency. Kanban is one method to achieve JIT. The system takes its name from the cards that track production within a factory.
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Queues don't have to lead to a poor customer experience. To achieve a good result, focus on:

- Giving reliable information and status updates
- Keeping users engaged
- Requesting information from users to keep them involved
- Setting and meeting expectations

4.3 Prioritizing Work

Effective prioritization can help to manage the flow of work and make sure queues don't build up. All work needs to be prioritized:

- Requests
- Defects
- Projects
- Improvement opportunities
- And so on...

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Prioritization techniques include swarming and triage.

	Triage	<p>The concept of triage comes from a military medical context. It focuses on identifying the most urgent work so it can be dealt with first. Low priority work has to wait until high and medium priority work has been completed.</p> <p>Triage can be used to manage workloads such as development backlogs and incident queues. It's important to make sure the low priority work doesn't get left forever though.</p>
	Swarming	<p>Swarming is an alternative to tiered support (1st, 2nd, 3rd line etc.). Swarming creates a single collaborative team who 'swarm' around a piece of work allowing them to share knowledge and identify fast solutions.</p> <p>Swarming delivers a dynamic, flexible and collaborative approach and increases knowledge transfer between staff. Swarming does need careful management to make sure it is delivering the right outcomes and people are being used effectively. It requires executive support to work well.</p>

Work needs to be prioritized as it enters the value stream, while customer and user expectations are managed. Prioritizing work at each value stream step:

- Can create or move the constraint or bottleneck
- May result in idle resources downstream from the step
- May create a backlog upstream from the step

Prioritization techniques can be based on resource availability or quality, for example:

- Don't accept work if the required resource is busy, assign other work to the other resources
- Techniques based on time factors, for example:
 - First-in, first-out: Next oldest waiting item is dealt with next

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- Last-in, first-out: The newest waiting item is dealt with next
- Shortest item first: The work that can be completed quickest is dealt with next
- Longest item first: The work that requires most time to complete is dealt with next

Techniques can also be based on financial factors, for example:

- Highest economic benefit, or highest financial impact first
- Techniques based on source or type of demand
- VIP status for some users in incident priority
- Techniques that consider multiple factors
- Cost of delay considers time and finance
- Weighted shortest job first considers cost of delay and work duration
- Triage based on urgency and impact