

## EXIN

EXIN, the Examination Institute for Information Science, is a global, independent and not for profit IT examination provider. It's EXIN's mission to improve the quality of the IT sector, the IT professionals and the IT users, by means of independent testing and certification.

In close cooperation with international partners in the IT industry, EXIN establishes educational requirements and develops and organizes examinations and learning tracks in the field of IT, giving IT professionals the ability to prove appropriate competencies and skills for improved job performance.

Every day, EXIN examinations are taken in more than 125 countries on six continents, and in 15 languages. Over one million IT professionals are certified by EXIN. EXIN's IT Service Management certificates are well known worldwide. In addition, EXIN accredits organizations and training providers in order to ensure the quality of the education programs they provide.

## PODCAST TRANSCRIPT

# How to make progress in ITSM while budgets are tightening



Welcome to this EXIN podcast recorded on Thursday 19<sup>th</sup> March 2009.

I am pleased to welcome Simon Alston who is going to share some of his extensive knowledge in and around IT Service Management.

Simon works for BT Global Services which is part of the BT Group. BT serves customers in more than 170 countries. They have one of the largest IP networks in the world with over 1,270 cities connected across the globe. Their Global Services division support many customers. For example, BT is the Official Communications Services Partner for the London 2012 Olympic & Paralympic Games.

Simon has been in the service management business for almost 30 years. In his early career he spent 19 years working for the USA based Computer Company DEC. He started working for BT in the year 2000, having joined Syntegra initially (the Systems Integration Subsidiary of BT at the time). He is an ITIL<sup>®</sup> expert and PRINCE2<sup>™</sup> practitioner.

He has performed a variety of Service Management roles over the years working at senior levels on some very high profile programs with major UK and global clients. He has been a leading champion for the use of best practice frameworks and service management standardization.

He is currently the global Professional Community Lead for service management at BT. The community

- Speaker **Simon Alston, BT**  
[www.BT.com](http://www.BT.com)
- Host **David Clifford**  
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is focused on developing the skills and competencies of people which are vital for a professional services organization.

So, now we turn the focus on to the topic of our podcast, **“How to make progress in IT service management while budgets are tightening”**

There has been so much written in recent times about the impact of the credit crunch and the resultant recessions across the globe. Against this backdrop IT budgets have been cut drastically while the need for competitiveness and effectiveness remains of paramount importance.

This audio discusses the methods and techniques that could be used to help to mitigate this impact and make progress in ITSM while budgets are tightening. Listeners will learn how to :

- ✓ shrink thousands of pages of best practice guidance in to a manageable priority led plan
- ✓ invest in training that focuses on this plan while also saving money
- ✓ achieve differentiation within the marketplace
- ✓ extract the best advice from a multitude of frameworks and guidance methods eg. (CobIT<sup>™</sup>, ITIL<sup>®</sup>, MOF<sup>®</sup>...)

*Hi Simon, let me start by asking you a very difficult question. IT Service Management service providers quite often find it difficult to find the key tasks and activities that they should follow as they are faced with a daunting array of thousands of pages of best practice guidance. How can they focus on the priorities, the, if you will, "must dos", while still making significant progress?*

I get asked this question a lot to be honest. There is an array of best practice guidelines out there, you mention ITIL®, CobiT™, PRINCE™. I think, if I am to be honest, they give us great guidance on how to go about things but your question relates to the "must dos". ISO/IEC 20000 gives you the "must do" check list so whether you're seeking certification or not, I think this is a standard based way of navigating the best practice to give you a head start.

You mentioned earlier I have been in the service management business, as the grey hairs will testify for going on for 30 years now, so I think in that time we have really lacked a standard which would be a benchmark for service providers and I think ISO/IEC 20000 gives us that first international standard. As you know it was first published in 2005 and really promotes an adoption of an integrated process approach which I think is really key, to focus on the integrated side of this. Clearly best practice talks around the process models and the integration of, and I think integration is key here, you know best practices can be integrated as well to fit each company's business. It is complemented by a lot of the best practice frameworks including some of the home grown ones. So it's quite wide and encompassing. As you're aware, it has got a specification and a code of practice and it's being used by hundreds of service providers around the globe but some of the leading countries which I am sure you are well aware of as well are Japan, UK, India and China. They all operate in the global market place. It is imperative that we have an international standard here and ISO/IEC 20000 fills that gap.

Slightly going off track a wee (*little*) bit but I would like to mention another dimension which I think is relevant to this and we're talking about the "must dos" here but I think it's important to bring up the relevance of experience. Or probably should I say, the word I quite like to use is wisdom which is really the positive result of experience and knowledge. I think wisdom is a fairly under used word. I learned in the business by getting things wrong and not making the same mistakes twice. ISO/IEC 20000 really is the consolidation of what I would call the common sense and the experience which can give lesser experienced service managers and particularly service managers new in to the business a view early on of that built up wisdom. So I would suggest use it and build up the even greater wisdom on top in the years to come.

So, in summary, the "must dos" are all documented within the standard and I think there are in the region of 200 "must dos". This is always a good check point for service providers. Add wisdom to this and I think you've got a recipe for future success.

#### **Start time 05:58**

*Ok, that's great, thank you Simon. One of the feedback items that we generally get around the world though is that ISO/IEC 20000 is interesting but only really of importance if, as a service provider, you wish to become certified against it. Maybe there are quite a few service providers out there who think "we don't want to go for certification yet so therefore we're not going to look at ISO/IEC 20000", is that a valid view? Well of course, perhaps it's a valid view but what are your comments around that?*

You don't need to take the full certification journey but perhaps if we take this in two parts. If we just have a quick talk about certification first of all. I've been involved in getting certifications as part of my management teams and I actually strongly believe its primary importance is in the benchmarking for customers. I think in our private lives we know how hard it is to choose between suppliers, how do you judge where to trust your money to? how do you trust that they can deliver what they say they can do? so it's quite a hard task. Now if you imagine you had a significant amount of money to spend, how can you ensure that you spend that wisely and safely? Certification is one of those ways I think that customers can get that confidence about a suppliers' capability. It's an independent assessment. It's a view that you've done it before and that you've been tested and continually tested against that standard. So, I think particularly when you're spending a great amount of money it's a good thing for a supplier to have.

Having said that, do you have to do it? No, because ISO/IEC 20000 is a standard that is there whether you are being certified or not. It's of great use in the operational effectiveness side of things where you need to benchmark your own performance and your own management system. It can be used by businesses going out to tender for services and indeed I've been involved in that in my years in the business where clients will talk about those "must dos" inside their tenders. Supply chains; how do you ensure that all of your suppliers in the supply chain are of the sufficient standard if you like? Well without certification you have a document there that stipulates some of the consistency along that supply chain.

I think probably the one that I want to finish on on that one would be the most important thing for me around this, continual improvement really. ISO/IEC 20000 is a good check point for, if you like, a list of "must dos" that you can then use as your basis for continual improvement, so whichever best practice that you want to use on that it gives you a list of the things that you need to really focus on to improve your service quality. I think if you address and focus on those areas you will derive the benefits as a result.

So you can see there are potentially major benefits even if you don't go for the certification. The standard is there and for operational effectiveness I would use the standard as a basis for running my operations.

"ISO/IEC 20000 gives you the 'must do' checklist whether you're seeking certification or not"

"(ISO/IEC 20000 is) a way of navigating the best practice to give you a head start"

"ISO/IEC 20000 really is the consolidation of what I would call the common sense and the experience"

"You don't need to take the full certification journey"

"Frameworks give you  
...everything that you  
could do, ISO/IEC 20000  
tells you what you really  
should do"

"Consistency; we started doing  
things the same way all the time"

"People became  
empowered, they knew  
what the 'must dos'  
were, they understood  
what they need to do"

"The customer started saying  
nice things about us"

#### Start time 09:14

*Ok, great, thank you, so ISO/IEC 20000 can be used by all service providers even if they do not wish to achieve certification against the standard. Can you explain, perhaps with the use of an example, how this approach can benefit a service provider when trying to improve its service offerings and management system in general?*

The standard breaks down the requirements within each process and how they integrate between processes. But I'll probably pick a couple that for me are really important ones to pick out and they are the areas of change management and problem management.

In my experience ineffective management of change is probably a primary reason for IT service management failure, so it's probably a wise one to look at. The standard shows some 12 or so "must dos" which can be used as an index which can be used to improve using your framework of choice, whether that's CMMI, COBIT™ or whichever one you choose to use. Frameworks would give you a clear ability to concentrate on everything that you could do for change management, ISO/IEC 20000 tells you rather than doing everything that needs to be done for change management it tells you what you really should do, ok, so it allows you to focus on the areas rather than trying to do everything in the book about change management.

*Sorry Simon, so you're saying that we could do a lot of things for change management as defined by the various frameworks like ITIL® and CobiT™ etc. but what are the actual priorities? is that right?*

It talks about the things that you need to focus in on rather than particularly all of us who have done the best practice side of things know that change management is an all encompassing process and is quite far reaching so yes, it (ISO/IEC 20000) gives you the areas of focus that you need to look at.

The other area probably linked to that is problem management. In that, I've had lots of experience over the years of the problem management area and particularly how that problem management area links to change management. Problem management as we all know can reduce, or does reduce our workload if we do it properly. Imagine a service which didn't go wrong or went wrong very infrequently. The important thing to note is also that by using the standard it encourages service providers, all of us, to look at an integrated process approach rather than looking at processes in isolation. I think that's extremely important, one that I'd like to bring out.

The result of these things is a definite "win win" for provider and customer.

#### Start time 11:45

*Ok, thank you. So, you obviously work for BT, the multi-national company and you've had experience with ISO/IEC 20000 and various other standards but with ISO/IEC 20000 in particular, you've used that as a vehicle to achieve improvements, what benefits have you realized within the company?*

It's interesting when you get asked these sort of questions and I've often heard other people asked these questions and you know you get what probably I might call corporate answers such as cost reduction, improvement in user and customer satisfaction. Both of these are correct of course and are what as corporations we strive for but I'd probably rather focus on lower level things that come as a direct result of using the standard. Because I think that these in turn produce those corporate benefits.

If I use an example, I ran a fairly high profile program within BT and implemented standardization across the operation. It was experiencing large issues not least because it was a complex changing environment. It was experiencing the unreliability. It was experiencing the usual things that happen in these changing environments if you feel that there isn't the control there that we need to have. So a standards based approach in that case brought us real tangible benefits I think. If I just talk about some of the what I might call the low level things.

**Consistency;** we started doing things the same way all the time. People became used to that so you're not wasting time. You're not doing re-training. You're not doing things differently, it starts to become consistent and written down. **Common language;** so when people were talking about "parameters in the service world" we were all understanding what they meant. So trained once, never repeated. **Incident reduction;** that clearly relates to cost reduction. If you can reduce your incidents by half it's quite easy to relate that to a cost reduction for the productivity of your staff. **Greater attention to detail;** the "must dos" point you to the areas that you need to focus on and the key performance indicators around those "must dos". But I think one of the great things I found from doing this was the effect it had on people.

**People became empowered,** they knew what the "must dos" were, they were written down. People then understood what they needed to do and felt empowered to do what they needed to do. I saw people start to take a pride in what they were doing, they felt proud to be actually part of that program and felt proud to be part of the delivering of that service. The poor people that were once 02:00 in the morning sat at terminals/PCs trying to deal with application issues or whatever were getting a good night's sleep and not least the customer started saying nice things about us and that was quite nice. The positivity if you like became quite infectious and I think it gave people time to do other added value things for the client. We reference that obviously within BT, for other bids and other contracts moving forwards so there is another benefit to the business from that not withstanding within the program. There are also benefits of **economies of scale.**

So in summary I'd say look after the detail and the cost savings would follow, the corporate cost savings I mentioned at the beginning.

"A management system is an organized group of skilled people governing a planned service or set of services in a defined and inspected way."

"how do we get people trained as best we can, as cheap as we can and get people to deliver great value as quickly as we can?"

"the EXIN/TUV SUD ITSM qualification program according to ISO/IEC 20000 is one that we badly need"

"there's a 33% saving straight away"

#### Start time 15:30

*Moving on to the glue that holds the IT service management services together, can you explain this term "management system", it's been used quite often, we've referred to it briefly in this podcast so far, so, what is it and how does the standard support the definition and maintenance of it?*

"Management system", you hear that explained in lots of ways around the business. I am sure that most of us are probably aware of those things. By my nature I try and make everything as simple and understandable as I can because that's the way I like to operate. I see the management system as an essential part of an overall jigsaw that you need to deliver services, to deliver the full picture to the client.

In simple terms it's an organized group of skilled people governing a planned service or set of services in a defined and inspected way. A big part of that being people as I mentioned. What does the standard tell us? Because actually the standard talks in some depth about what a management system is and I think tries to keep it as simple as it can and I think it succeeds. Documented step by step methods, documented and tested. The standard relies upon people to make the difference so I'd probably just want to refer back to the wisdom comment at question one. For me the wisdom side of things is an important piece of this that helps make the difference.

I'm not going to recite the standard, I'm sure a few people know that. But if I was going to build a house I wouldn't build a house without having a good plan. I don't think delivering services is any different. An essential part of that jigsaw if not most of that jigsaw is the plan and things that you would put in that plan that we all know about eg. scope of services, the integrated process model, objectives and requirements etc. but again focusing on integration, bedding that process framework in to your organization. Interfacing of the processes with a lot of other activities outside the program or in to other projects. It's all key and it's all very important, the processes, tools and people. They are all part of that plan and it's an essential part of that jigsaw. So that's the way I try to look at it and I try to keep it as simple as I can.

#### Start time 18:05

*Ok, good, at least I can understand it as well then! Great, so the standard is actually giving us as service providers some structure, a plan, a framework to work within so that is obviously very useful in that respect but I'm very interested in picking up a little bit more on the people aspect. You have mentioned people as being a key differentiator for service providers, given that IT training budgets are being significantly cut back at the moment, how can service providers still make progress in developing their staff?*

I don't know if you've done this by accident Dave but you've picked a question very close to my heart and my role at the moment. As you said in your introduction I run one of the service management communities in BT and skill development is central in the running of that community. So, it's constantly on my mind about how do we get people trained as best we can, as cheap as we can and get people to deliver great value as quickly as we can. I think there are some excellent best practice qualification schemes which we all know about. But I do think that there is a real lack of what I'd call "role focused" type schemes, those designed to develop relevant skills in the quickest and cheapest way. I think the "[IT service management qualification program according to ISO/IEC 20000](#)", which I know was developed by EXIN and TÜV SÜD, is able to fill this gap and is one that we badly need in my view. I think it's focused on what service providers' staff "need to know" based on their roles as opposed to try to train them on everything which in itself isn't a bad thing but I think service providers need to get that focused training and I think this does help fill that gap. I think the qualification program that I've just mentioned focuses on what must be done rather than everything that could be done. Eg. simple cost savings the introductory foundation level is 2 days where most of the others are typically 3 days, so there's a 33% saving straight away. In the same way candidates get a recognized qualification and pin badge in it in the same way that some of the best practice ones do.

In my role there are a number of schemes to look at, the ones I would bring out are mentoring and coaching schemes. We always try to use/utilize the power of the collective community in developing our people. The community is actually for the people by the people. It's not an organization, it's a way of developing skills in that community as fast as we can and qualification programs like this really supplement what we are trying to do there.

I would say the biggest challenge in this world that we're working in is in getting service managers or managers in general to understand that it isn't just about understanding/reading best practice. It's about how it needs to work in the real world delivering what customers want, that's often a slightly different picture sometimes.

#### Start time 21:11

*Ok, thank you very much. So that is great news, so service providers can still make progress with their staff training and save money at the same time. This sounds almost too good to be true, what are the drawbacks there being realistic?*

Interesting question, I actually don't think that there are any real drawbacks. I suspect many of the people listening to this audio probably recognize that probably the issue is that the industry is not aware of using ISO/IEC 20000 for anything but certification.

"The standard is a cost reducer not a cost inducer"

"There is a cost effective qualification program out there that can save you time and money"

"A message to training bodies everywhere, let's have more of this type of training and role focused training"

I mentioned before it can be used in lots of different ways but not least as a way of improving service and IT service management, focusing on the most important aspects of saving time and money.

I think we all as service managers have a challenge, we consistently have a challenge in convincing companies and businesses that by using the standard it's not a cost inducer but actually a cost reducer and I do come across that quite a lot. So, in itself, it's not a drawback, it's a challenge, it's something that us as service managers need to put focus in to to be able to explain that to the senior management in companies. Senior managers who wouldn't understand this would often focus on a perception that it costed money. Whereas us in the business probably know that over a period it's a cost reducer.

What's the answer here? I said previously that I think there is a gap, that we need to have more focused training, more cost effective training to allow the skills to develop faster and that are more relevant. I think we need to ensure, that service managers need to ensure, that business justification is focused on that is focused over a period that relates to the service and the program that actually they're delivering. Focus on the real things that become more efficient. When we're doing these justifications focus on the tangible things that we can talk about rather than going in to areas that sound too corporate too early if that makes any sense. Things that produce tangible benefits are for example, incident reduction, I've raised as an obvious tangible one but there are clearly efficiency gains through everything. My view is that there is an exponential gain once you start to become more efficient in this and start to drive out some of the real cost. So, all these things really we can get a hold of and explain as cost reduction. I think that in our world we understand these throughout and fairly in some detail so let's start to drive those through the business justification.

**Start time 24:04**

*I think you've hit on a new catch phrase there, the standard isn't a "cost inducer it's a a cost reducer", something that will no doubt echo around the world. Any final comments, takeaway points that you want people to focus on in particular from the messages that we've talked through?*

I'd probably like to pick up the key points really rather than be too wordy here :

- You don't need to get certified to use the standard, use it for operational efficiency and operational effectiveness
- There is a cost effective qualification program out there that can save you time and money which I've talked about
- I would like to say, and thanks for having this platform to do it, a message to service management training bodies everywhere, let's have more of this type of training. For me it's quite essential that we have some operational effectiveness type training and role focused training
- Spread the word about it being a cost reducer not a cost inducer
- I think, and I still do a lot of work on this, do some work on the business justification side about how the real things in service management make that difference up at corporate level
- And I guess last but not least, and I make no apologies for labouring this, value through wisdom, value wisdom. That enables all these "must dos" to become even better.

*Thank you for your time, valued thoughts and the effort you have put in to this audio Simon it will have been of great interest to people listening to this.*

*Further information about the EXIN/TÜV SÜD "IT Service Management according to ISO/IEC 20000" qualification program can be found at [www.exin-iso20000.com](http://www.exin-iso20000.com).*

