Crawl, Walk Run Approach to Building an IT Service Catalog

Tips and techniques to build out your service catalog - in smart, easily digestible pieces.
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EXECUTIVE SUMMARY

“People don’t want drills .... They want holes!”

These wise words neatly summarize the value of service catalogs. In the best of possible worlds, an organization’s service catalog is rolled out to their end-users (we prefer to call them “customers”) in a “service-centric” manner as opposed to one that’s “IT centric.”

Is there any difference? We strongly feel there is, especially from the customer perspective.

When we meet with members of a tech-centric culture, we sense an “inside out” mentality. The IT department is viewed as a cost center, focused on optimizing assets. But they perform as silo-based operations. They concentrate internally on function, skills and/or platforms. Yet, they don’t necessarily incorporate customer needs in their planning and deployment.

At Emtec, we transform companies from “IT-centric” to “service-centric,” and the optimal oversight of service catalogs contributes greatly to the transition. This model helps customers thrive via an “outside in” IT management philosophy. Service-centric organizations are very customer/process-friendly. They seek to align technology with strategic goals and daily functions to increase competitive advantage.

One key distinguishing factor: Unlike the IT-centric way, the service-centric IT department finds ways to meet or exceed expectations without customers shouldering the full burden of specific costs or risks. In a service-centric approach it is about what my customer needs rather than an IT-centric focus of what applications, hardware...etc.

Hence, service-centric IT divisions provide the “holes,” not a drill.

Here’s another appropriate analogy: Think about how much the online shopping experience has reduced the quality of “dread” often encountered when buying a roomful of furniture. In the past, you’d visit the store and your feet would get sore just from walking the entire floor to find what you like.

If the store didn’t ship products, then it was time to call that brother of yours who had the pickup truck, hoping you could borrow it.

Then came the actual moving of the furniture from the store to the home. Aspirin for that aching back, anyone?

The service-based quality of the online shopping model has changed all of this. You’re buying what you seek: a dining-room table set. The purchase does not include the burden of visiting a store and moving the furniture. If the delivery person gets injured, you’re not liable. The service provider assumes that risk. Hence, you’re getting your holes without buying the drill.
In reading this paper, you’ll discover best practices to develop and present a service catalog that positions your IT department as service-centric, maximizing customer satisfaction levels. You will understand the differences between the service catalog and service portfolio – they’re not the same, although many believe that they are.

As in prior Emtec papers, we’ll frame this discussion within our “crawl, walk, run” approach, which enables an IT department to pursue other business objectives without major disruptions to day-to-day operations.

The Infrastructure Executive Council (IEC) has found that 65 percent of service catalog efforts fail to meet objectives. This phased-in approach significantly increases your chance for success by helping you avoid many of the pitfalls in service catalog development.
### SERVICE PORTFOLIO VS. SERVICE CATALOG

As indicated, you should not confuse a service catalog with a service portfolio. The service portfolio exists within the Service Knowledge Management System (SKMS), and contains the complete set of services managed by the provider. It consists of three main elements: the service pipeline, retired services and the service catalog.

**Service Pipeline**

This refers to any services that are proposed or in-development.

**Retired Services**

These are services for which the lifecycle has entered the completion stages.

**Service Catalog**

The catalog describes all “live” IT services, meaning those available for deployment.

There are two kinds of catalogs here – one outlining business services and the other specifying technical services. Customers only have access to the former, to help them understand how the organization will be supported. Your IT team, however, will also have access to the technical-service catalog, which details the applications that will carry out the business services.

The service catalog contains information about all live IT services, including those available even if not necessarily deployed. It includes information about deliverables, prices, contact points, ordering and request procedures. Which means, to the customer, ordering IT can be very much like our example of ordering furniture from an online retailer: Your end-users would choose the services they need from what is available. The catalog also covers how security policies impact usage, and how to get support. It explains clearly in “everyday” language where to turn to if there’s a problem with the service.
WHAT DISTINGUISHES THE BENEFITS OF A SERVICE CATALOG?

What are the advantages to this? Your service catalog helps you map expectations against capabilities, as well as streamline how services can be deployed. If developed wisely, the service catalog will avoid prospects of either over-delivering or under-providing. Customers also appreciate the qualities of “routine” within the catalog experience, how they go to the same place every time for applications, and use the same passwords to acquire them. Their satisfaction levels elevate. They’re less worried about how to get what they seek, and can concentrate on doing their jobs instead.

As for the organization? It prospers from reduced labor costs, as services are now conducted in a uniform, managed manner. There is less manual coordination involved and more automation. The IT department does not have to spend hours on the phone with customers because these customers are going right to the web. This is how the service catalog establishes credibility within the IT department. In fact, the IEC reports that 63 percent of CIOs with high-impact service catalogs say the catalogs create more productive conversations with partners about the value of an IT service provider.
A RUSH TO JUDGMENT

Unfortunately, too many businesses never reach the point of having a high-impact service catalog. They rush forward, failing to define their service portfolio before launching a service catalog. According to Gartner, 70 percent of IT organizations with a service portfolio project will develop the catalog as a customer-ordering mechanism before documenting their IT service portfolios.

Clearly, these companies could use some advice about crawling before they walk or run. We’ve seen service catalogs that are clear results of a “do it now!” mindset, leading to poor design and services described in such a technical manner that customers can’t make sense of it. Or the catalog doesn’t reinforce service management, by properly designating configuration items (CIs) for the service to link to incident/change. They don’t introduce a consistent service definition, with metrics and reusable service models.

In other words, they’re “IT-centric” instead of “service-centric.”

The vast majority of these catalogs fail the first time for this very reason. If this is your experience, don’t lose heart. It takes a while to make the transition from producing a catalog meant for “IT people” to one that best supports customers.
A PAINFUL CRAWL

Ok, you’re at the crawl stage now. You probably have services available but never formalized a list. Now, you want to move forward from here. Here are typical out-of-the-gate mistakes to be avoided:

IT-Centric Mentality

It’s understandably difficult for an IT team to evolve from a IT-centric to a service-centric one. Members have spent their entire careers in IT and this “silo” mentality encourages a glut of tech-laden descriptions without any consideration for the business view. The document reads like a foreign language for intended customers, who abandon it. Also, applications are interpreted as services. But applications are not services. Not for the customer, at least. “Tracking packages,” for example, is a business service. But many organizations list the application that enables the tracking AS the service. They focus on the tool before thinking about its capabilities and the value it provides the business.

Stall Tactics

The IT team wants a complete and thorough list before moving forward with the catalog. This isn’t necessary. You can always add items to the list as you go forward. Holding off for an indefinite period means that the information that customers need to do their jobs will remain unavailable for the long haul.

Rush, Rush, Rush

As opposed to stalling, managers take the opposite approach and rush the catalog into play. Without a service-management plan, a deployed catalog is doomed.

Focusing on the Tool

You pursue a complete tool to manage the service catalog before you actually launch the catalog. This too is somewhat backwards-thinking. You shouldn’t buy a tool until you really understand what the services are and why they perform a critical business function. Don’t get us wrong, we love technology and we advise our clients to acquire some kind of automated-management tool for their catalog- but just not in the crawl stage.
COLLABORATIVE CRAWLING

For the purposes of our “best practices” summarized in the crawl, walk, and run stage discussion, we consider each in terms of the “strategic,” “tactical” and “operational” perspectives. These categories provide milestones and possible courses of action for an organization to move from one stage to another, avoiding pitfalls.

Strategic – Strategic Promotion

The crawling stage is the time to begin shifting mentalities, to establish your service-management model as a pro-active communications tool to be part of your overall communication plan. People must understand through your promotional efforts that services now drive IT. This will clearly require additional work within IT. Your IT team will have to keep doing things the “old” way while transitioning to the new way. Help them understand the importance of the role they’re playing within the larger context. Make it clear that they are valued players in this effort – specialists who are very good at what they do. With this kind of purposeful orientation, it will be much easier to motivate your teams to put in the hard effort ahead of them.

Tactical – Establish Baselines

When the transition to that of a service organization is well underway take some time to examine and document current processes, especially Service Request Management and the Service Desk function. It’s good to understand this at the “crawl” stage because in the future when you’re introducing new, service-friendly features to customers like self-service portals – you’ll have a good way to compare and track improvements. You will also know how your IT services are supported by your current process and therefore what to adjust when introducing new ones.

Appoint an IT services manager to oversee this transition, to play the role of IT a service-center ambassador. His role is to manage the end-to-end lifecycle of one or more services and to start and or maintain the relationship with the business representative. This manager should know the difference between corporate services that remain basically “functional” (like e-mail) and services that help achieve organizational strategies. The IT services manager oversees all IT efforts to business processes, collaborating with members of multiple departments to develop an agreed-upon summarization of valuable services.
Operational – Assemble Service List

With the steps above already taken, a list of IT services can now be assembled. It’s fine at this stage if these are the more “basic” corporate/infrastructure services. This is the time to agree upon what the fulfillment of a service request exactly is, in a way that makes sense to the customer. In a service-centric culture, a request is fulfilled when the customer’s intended outcome is reached. In the IT-centric organization, it’s fulfilled when an application is deployed.

Lastly, the service manager should define the service-request model and how service-requests will be fulfilled. Is this done online? What happens when the request is first made? What mandatory steps will the help desk take in response? What are the required follow-up procedures after the request has been addressed? Which teams are involved? Again, these models should have the customer/business perspective foremost in mind.
STEPPING IN THE WRONG DIRECTION

You’re now walking. You’ve introduced service-level management as a communications initiative. You have a list of services, and are about to define service capabilities. You can group them together in various service-line categories and you have started formalizing service descriptions. You may think you’re doing everything right. But you still can encounter problems.

Reinforcement is Lacking

The IT staff still lacks awareness of how the technology support function links to business services. Managers have communicated these concepts, but they take time to sink in at a cultural game-changing level. The message hasn’t gotten drilled in enough. It’s not being reinforced in hallway conversations, workshops or department-wide email updates. This means certain staff members take on roles as agents of resistance instead of catalysts for change. IT Service teams will be impacted, and they need to understand why and how they will work with the changes in the future.

Several Layers start Unraveling

You fail to properly assign the service-level manager role – perhaps it’s one of many hats this staffer now wears and the significance of this role isn’t taking hold. Applications begin to drive the IT catalog’s construction instead of services. Inaccuracies are discovered within the publicized pricing. All of these trouble spots lead to poor acceptance of the catalog in its early stages.

The Devil is in the Details

There is continued inaccurate data in the service list. Information conveyed within is too high-level, or too detailed for customers to make sense of – with no logical grouping of categories to help them navigate. Customers sigh at the prospect of scrolling through 60 unorganized service listings to find out what they want. All focus is on tool development rather than how these tools support business functions. Applications start getting selected with customers having no genuine understanding of what services they’re getting. People who have had no involvement with the publication of this catalog now openly question the information, threatening to rip the entire project apart before it’s had a chance to take off.

No Validation

All of the above problems lead to this unfortunate outcome: The catalog is static. No one is really making actionable use of it in a meaningful way. This is because no one has ever validated the intent of its productive purpose with customers. No one has ever asked them, “What does services mean to you?” or “How can we make this list of services actionable for you?”
WALKING TALL

Strategic – Communicate your Vision

Drive home the principles of your service-level management vision. Break down walls of resistance by getting service-desk staff fully involved. Have them examine the developing list of services, as well as the grouping of services, and invite feedback. Encourage them to think like the customer in these sessions, based upon “real” customer feedback. In doing so, you’ll establish clarity where there once was confusion. This, in turn, enhances the cultural change you seek.

Tactical – Build a Service Model

Build a service model that distinguishes between business/corporate and technical services. An exchange server that runs e-mail does not perform a business objective, it’s a tech service. If your company makes widgets, then designing widgets can be the business service delivered. For a retail organization, a service model is based upon the phases of “shopping, selection, assistance and shipping.” These phases are underscored by additional services such as “assist shopper in selecting,” “answer questions,” “present shipping options,” “confirm details,” etc. Note the focus on action here, not the tech applications that make the action possible.

Operational – Zero in on Service Targets

Managing your customer’s demand for your services is a large part of this, with absolute clarity of service capacity, requirements and capabilities. This kind of estimation matches service investments with service needs. Then, cultivate understanding of how CIs support all of this. By the end of “walk,” you’re not only illustrating service expectations, but what services are supposed to look like.
RUNNING ON EMPTY

Congratulations, you’re ready to run. You have a catalog that’s packed with relevant services. You have service level agreements (SLAs) assigned and reviewed and can even start thinking about automating the catalog to reap the rewards of cost savings, as this is the stage where you fine tune metrics to measure impact.

It’s too early to pop open the bubbly. Not when these common mistakes loom:

No Ownership of the Catalog

Yes, there is the IT services manager. But with so much of the catalog now completed, this manager is subjected to other duties/distractions. The catalog loses a sense of governance. The organization is now ready to nominate Business Relationship Managers that will ensure the IT service provider is satisfying the business needs of the customers….we need to reinforce the Service Level manager role and ensure he/she meets the customers on a regular basis to review the services performance according to the SLA in place.

Confusion Ahead?

IT service providers (The IT Team) underestimate the impact of this groundswell of change. They don’t realize how this “business first” mindset completely revolutionizes the way they handle service requests. They confuse SLAs with service targets. They are not one and the same. The SLAs contain little more than service expectations. That’s not enough.

Garbage in, Garbage Out

Listed services aren’t kept up to date. No, they won’t get outdated in a year. But over time, the offered services will mature and the catalog should grow to embrace these changes. This is the same time period when service-request systems get antiquated as well.

Too many Tools in the Shed

It’s overwhelming for customers to get their arms around it all. On top of this, they can’t adequately exploit self-service features of the catalog because these haven’t been sufficiently planned out.

Relationships in Disarray

The relationship among the configuration management database (CMDB), service desk and service catalog is muddled. In decomposing these functions, the business payoffs are not primarily considered, to effectively break down the services that drive outcomes. You can do this, and you don’t need a CMDB for it either. If you grow your catalog, you’ll end up documenting more and more service-connected technology assets (configuration items) that help meet business objectives. When you have compiled enough of these assets, then it’s time to pursue a CMDB.
RUNNING TO DAYLIGHT

Strategic – Rationalize your service agreements.

Whether you examine them through the prism of your service view or customer perspective (or both), come up with a blueprint that pinpoints where these agreements fit within your structure. Also, start looking at which metrics you’ll use to calculate total cost of ownership (TCO) versus value. Again, you have to include the benefit to customer services within these metrics to establish this value.

Tactical – Formalize roles

External service owners and the internal managers who must oversee business relationships need to have their roles formalized. These managers should be responsible for reviewing SLAs and making sure they remain current with company goals. This is all part of introducing a Service Catalog Management process that fosters the ownership of processes to make it all work. It needs constant re-evaluation and refining.

Operational – Software takes hold

You should have an IT Service Management (ITSM) software tool in place by now. Make sure it links incident/problems called into the help desk to services (as opposed to CIs), to enhance a systemic approach to response deployment. At this point, the service manager is overseeing end-to-end provision here, taking on the needed ownership of the catalog. And don’t forget that a completely automated web-service portal must be available to all customers at this phase.
CONCLUSION

Let’s boil down the launch and implementation of a service catalog to these simple questions: What services do customers want? When do they want them? What service-level components are required to deliver them? How do we collect meaningful data on the status of each component, as measured over time?

Then, keep in mind how these questions are addressed within the crawl, walk, run approach:

Crawl
What services do our customers want? When do they want them? This is how the very initial version of a basic service catalog is framed. Its service-level requirements and agreements are all dictated by this customer-centric view.

Walk
What service-level components are required? We outline our available CIs and designate teams responsible to deliver these in a manner consistent with customers’ service expectations. We have operational-level agreements in place and underpinning contracts to support them.

Run
How do we collect meaningful data on the status of each component, as measured over time? This involves both SLA monitoring and reporting. Does our measurement data cover the customer experience? Does it include business-driven metrics? Drill deeply for this kind of quantitative framework, then record results for longevity.

That’s because, in the end, your service catalog should never appear static. It is an organic, work in progress. But it is one that’s assembled and constantly refined for you to achieve maximum benefits for the long haul.
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RESOURCE LINKS

Industry Links:

- www.isaca.org (COBIT, VAL-IT, Risk-IT)
- www.pmi.org (PM-BOK)
- www.sei.cmi.edu (CMMI)
- www.iso.org (ISO20000, 27000)

Emtec Links:

- Emtec ITSM Blog
- Emtec Event Archive
- Emtec Whitepapers
- Emtec Website
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