



# Technical White Paper

## **Implementation of ITIL Processes:**

**Challenges and Critical Success  
Factors**

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## Abstract

This white paper discusses the need for process orientation in IT Service Management. It explains the benefits of implementing ITIL for an organization as well as the challenges and success factors associated with it.

## About the Author

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Murthy specializes in IT Service Management and brings with him more than three decades of rich experience in the areas of Service Support, Service Delivery, Project Management and IT Consultancy. He is a Senior Member of the Computer Society of India and a Member of the IT Service Management Forum (*itSMF*) India Chapter.

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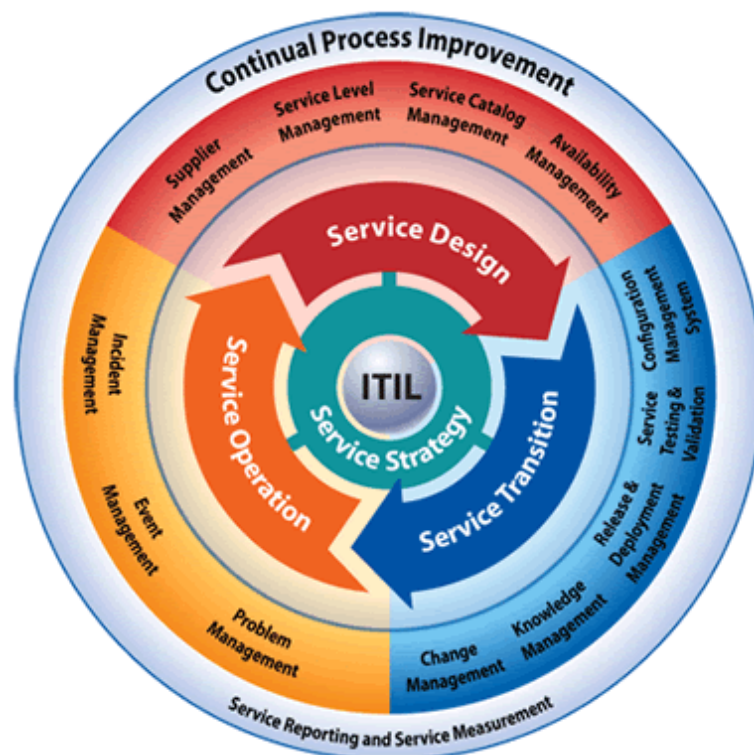
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## 1. ITIL: An Introduction

The Indian Information Technology (IT) industry has already surfed two huge waves successfully -- the first being that of Application Development & Maintenance (ADM), and the second being that of Business Process Outsourcing (BPO). And now, the next big thing to happen to the Indian IT world is Remote Infrastructure Management (RIM).

Infrastructure Management (IM) is a practice aimed at optimizing the efficiency of an organization's IT and may be defined as the management of all critical components of the organization's operations, including equipment, software, data, processes, human resources, etc. As the term itself suggests, RIM essentially means delivering Infrastructure Management Services to a customer remotely, the delivery centre most often being in low-cost locations, in order to drive down costs without compromising on quality.

Information Technology Infrastructure Library (ITIL) is considered as the best practice framework for IT Service Management, which encompasses the management of IT infrastructure, operations and development.



"ITIL brings a set of integrated, cohesive processes to make sure you are doing everything in the right way.

You can run a good service management operation without it, but that would require a very long journey of discovery rather than tapping into a huge pool of knowledge.

However, ITIL is not a silver bullet, and it's not a product. It is just some recommended guidance, distilled from much experience. You need to use it with common sense."

-- Aidan Lawes, Chief Executive, IT Service Management Forum.

#### **A. Offshoring Infrastructure Management is different from offshoring ADM and BPO in several dimensions**

Offshoring Infrastructure Management i.e. RIM is more complicated than offshoring ADM or BPO. Some key differences between ADM offshoring or BPO and RIM are listed below:

- a) RIM requires immediate, real-time response to technical problems due to the mission-critical nature of activities/processes involved in it as compared to predominantly project-based activities/processes in ADM, which can be completed within an agreed timeframe of few weeks or months.
- b) In RIM, device-based or SLA-based model is used as against the FTE-based service model usually employed in ADM offshoring or BPO.
- c) The need for process standardization and application of waste reduction techniques is higher in RIM as compared to that in ADM offshoring or BPO.
- d) RIM calls for more high-security arrangements as compared to ADM offshoring and most BPO processes.
- e) Contractual governance and higher usage of sophisticated tools is required for RIM as against ADM offshoring or BPO.

#### **B. Indian IMS vendors need to undertake industry-wide capability building measures to stay competitive**

A report released by Forrester Research on Sep. 18, 2007 stated that smaller India-based infrastructure providers can be the right size for the right clients (<http://www.forrester.com/Research/Document/Excerpt/0,7211,43310,00.html>).

Another report, released by NASSCOM and McKinsey in Feb. 2008, cited that India, with its current infrastructure and skilled IT manpower, has the potential to capture 50-55% of the \$26-28 billion

international RIM market by 2013 (<http://www.nasscom.in/Nasscom/templates/NormalPage.aspx?id=53378>). However, in order to achieve this dream figure, the Indian IMS vendors need process standardization.

The need for industry-wide capability building is also significant because a closer look at the international scenario reveals that the real competition to Infrastructure Management in India is going to come from unexpected quarters like Mexico, China and South Korea.

Mexico is already a preferred destination for many US-based clients due to its near-shore advantage and same time zone convenience. China and South Korea, on the other hand, are way ahead of other countries in having the maximum number of ISO / IEC 20000 certified companies. These countries are obviously getting ready to capture a large slice of the RIM cake.

ISO 20000 is the first international standard for IT Service Management. ISO 20000, like its predecessor BS 15000, was originally developed to reflect the best practice guidance contained within the ITIL framework. ISO 20000 promotes the adoption of an integrated process approach for effective delivery of managed services to meet business and customer requirements. There are more than 380 ISO / IEC certified organizations across the globe as of 2009. Below is a list of countries with the maximum number of such organizations:

#### ISO / IEC 20000 certified organizations across the world

S. No.	Country	No. of ISO / IEC 20000 certified organizations
1	Japan	60
2	UK	52
3	India	44
4	China	37
5	South Korea	34
6	Germany	27
7	USA	19
8	Taiwan	14
9	Switzerland	12

(Source: <http://www.isoiec20000certification.com/lookuplist.asp?Type=9>)

Some of the key measures that can help Indian IMS vendors find a firm footing in the RIM marketplace are:

- (a) **Adoption of ISO 20000 (formerly known as BS 15000) as the standard to enhance RIM process sophistication and maturity:** ISO 20000, founded upon the ITIL framework, is the world's first benchmark for standardization of IT Service Management. It stipulates a set of interconnected management processes to be followed for efficient IT Service Management. It is

imperative for Indian IMS vendors to adopt ISO 20000 to match step with their global counterparts.

- (b) **Enhancement of operational excellence to match global peers:** Indian IMS vendors need to follow operational excellence in word and spirit by promoting team spirit across all sections of their organizations. They should continually strive for excellence and strike a balance between employees, management and customers by building mutual trust and respect between them.
- (c) **Augmentation of sales and marketing capabilities:** Indian IMS vendors must plan and execute their sales activities and marketing mix on an ongoing basis to be able to sell their services successfully.

The need for process improvement initiatives like ITIL and ISO 20000 is also compounded by the necessity for optimization of IT infrastructure support costs, driven by several factors, such as:

- i. **Lower operational margins due to:**
  - Depreciation of the US dollar against the Indian rupee.
  - Stretched operational costs due to inflation.
  - Increased manpower costs due to a dearth of skilled resources.
- ii. **Attrition, which adversely affects IT operations due to over-dependence on individuals:** When individuals holding key positions and performing critical functions resign their jobs, it significantly hits the IT operations of an organization as it takes considerable amount of time and money to replace them with new, competent employees.

All these factors create the right environment for process improvement initiatives such as the implementation of ITIL/ISO 20000. However, a widely accepted paradox is that despite much planning, more than 50% ITIL initiatives do not get to the point of implementation.

### C. Failure of change efforts is universal

Every successful process improvement initiative is countered by at least two failed initiatives. But why do organizational change efforts fail? The answer lies in a number of factors, such as:

- (a) **Lack of key drivers:** Lack of staff commitment, understanding, education, communication and training primarily affect the implementation of change efforts. Since people do not understand the implications of change for themselves and their work, they resist change. Often, the staff has responsibility but not the authority to make decisions to fulfill that responsibility, leading to lack of ownership and accountability. This also results in lack of commitment from their colleagues and co-workers. Also, a lack of effective champions with the drive to do what is required leads to failure of change efforts.
- (b) **Loss of motivation after the initial hype:** In the initial stages of producing change, people are extremely gung-ho about the whole exercise but with passage of time, all excitement dies down. This apathy gradually leads to reluctance of people to change.
- (c) **Lack of funding and quantifiable long-term cost benefits:** Good planning is futile unless backed by sufficient funding to convert ideas into reality. People also tend to oppose change unless they can clearly see and understand its long-term cost benefits.

- (d) **Extra emphasis on tactical solutions at the cost of the overall strategy:** Sometimes so much emphasis is laid on tactical solutions that the overall strategy loses significance, throwing the whole exercise of producing change off-track.
- (e) **Unrealistic timelines:** Setting idealistic but impractical timelines to implement the process improvement initiative may also cause failure of the whole effort. This is because trying to achieve the set goals in very less time may lead to mistakes or errors and affect the process improvement initiative adversely.
- (f) **Inability of tools to support the processes:** The tools may be obsolete and unable to support new, modern processes, leading to failure of change efforts.
- (g) **Lack of skilled resources to support the processes:** Scarcity of skilled resources may render even modern tools and processes redundant, thereby causing failure of change efforts.
- (h) **Dearth of structured project management controls:** Project management control can be achieved through modern tools used for managing project scope, schedule and cost. However, due to a lack of these tools, it may be difficult to determine trends for cost overrun and schedule slippage, leading to mismanagement and thus, breakdown of the efforts to change.
- (i) **Lack of appreciation for the discipline required to implement processes:** Ignoring the discipline indispensable for producing change may also cause failure of the change effort.
- (j) **Over-ambitiousness:** In over-ambitiousness and over-excitement, people may take some steps uncalled for, which may harm the process of introducing change so much so that it may fail.

However, the **top two reasons** for failure of organizational change efforts are:

- i. **Lack of commitment from top management:** Even if all else (staff, processes, tools, etc.) is in tune with the efforts to change, unless the top management is interested, the effort to change cannot succeed.
- ii. **Lack of motivation for the people to change:** People need motivation to change; they need to be told how change will affect them and what benefits they will derive from it.

**Automation of operations is a challenge.**

"IT has done a terrific job of automating processes around developing software, but the opposite is true when it comes down to automation in operations and production environments."

Jean-Pierre Garbani, Forrester Research.

## 2. ITIL Implementation: Challenges

Implementation of ITIL in an organization is not as easy as it is thought to be. The challenge of implementing ITIL is in managing the four Ps:

- **People:** Culture, Organization and Competence.
- **Process:** What, where, when and how to do?
- **Products:** Systems, Networks and Tools.
- **Partners:** Managed Services.

But the key challenges in implementing ITIL, derived from the reasons for the failure of organizational change efforts, are:

- ✓ To get commitment from the top management.
- ✓ To motivate people for change.

### A. How to get commitment from the top management?

To get support and commitment from the top management, ITIL implementation should be treated as a significant business requirement rather than solely an IT department's endeavor.

Commitment from the top management will also flow down if quantifiable long-term benefits are provided and the fact that ITIL is a major organizational change, which requires change(s) in the organizational culture, is emphasized upon. Besides, people also need to be told that successfully implemented ITIL framework is the platform for business excellence, and effective communication to this end is a must. The message that ITIL implementation will provide long-term competitive advantage to the business, which is dependent on IT, also needs to reach out to people.

### B. How to motivate people for change?

Kotter's Eight Steps, with slight adaptations to suit the ITIL implementation, may be followed to motivate people for change and bring about a smooth organizational transformation. These steps are outlined below:

- (a) **Establish a sense of urgency for ITIL implementation:** Conduct a market and competitive research and on the basis of the findings, identify threats or opportunities.
- (b) **Create a powerful guiding coalition with your Regional Team:** Form a group that yields sufficient power to take control of the change effort and encourage team spirit across it.
- (c) **Develop a vision and strategy i.e. the ITIL roadmap:** Create a vision to give direction to the change effort and chalk out strategies for achieving that vision.
- (d) **Communicate the vision i.e. the ITIL roadmap to all the concerned people:** Use all kinds of media to communicate the new vision and strategies to all the concerned people.

- (e) **Empower the concerned people to act in the right direction for successful ITIL implementation:** Remove the barriers to change; transform systems or structures that weaken or threaten the vision; and promote risk-taking and non-conventional ideas, actions and activities.
- (f) **Generate short-term wins and share them with everyone:** Prepare plans for performance improvements; implement those plans; and acknowledge and reward employees who contribute to the improvements.
- (g) **Consolidate improvements and bring about more change:** Use credibility to transform systems, structures, and policies that are opposed to the vision; appoint, promote and strengthen employees with the capabilities to implement the vision; and reinforce the process with new projects and change agents.
- (h) **Develop new approaches:** Communicate the relationship between new behaviors and organizational success; and cultivate the means to ensure development and succession of leadership.

A lot of companies have invested heavily in ITIL and are asking why their service management has not improved. Often this is because it has not changed the attitudes and behaviors of the people using it.

For example, many helpdesk analysts are still being measured simply on how many calls they can answer in a given time.”

Richard Harrison, PA Consulting Group.

### 3. ITIL Implementation: Critical Success Factors

Many factors contribute to making ITIL implementation a success. Some of these critical factors are:

- A. **Commitment to user focus:** The term ‘users’ here refers to top management as well as other, common users. Principles such as honesty, pragmatism and fairness support commitment to user focus.

Some aspects that drive the top management’s commitment for implementing ITIL include:

- a) Improved operational efficiency.
- b) Reduced overall support costs.
- c) Peer pressure.

Besides, there are certain other factors that motivate common users to implement ITIL. These are:

- i. Effect of ITIL implementation on their service delivery.

- ii. Benefits of ITIL implementation for them.
- iii. Impact of ITIL implementation on the organizational benefits linked to employee's rewards.

B. **Clarity of purpose:** Unless there is clarity of purpose, all other tools, processes and resources for implementing ITIL are bound to fail.

To ensure clarity of purpose, users should ask themselves the following questions:

- a) Are we clear on what we want to achieve?
- b) Are we clear on what we intend to do?
- c) Are we clear on how it is going to benefit all stakeholders?

C. **Understanding your communities:** Different communities have different requirements. To understand the requirements of a community, one must understand the community itself.

For successful ITIL implementation, users should seek answers to the following questions:

- a) Do we understand our community/ecosystem/environment?
- b) Do we understand the needs and aspirations of our community /ecosystem /environment?
- c) Do we know their concerns?
- d) Is our solution going to address any of those concerns?

D. **Communicating appropriately:** Effective communication is very important for successful ITIL implementation. Users should consider the following questions while implementing ITIL:

- a) How we communicate?
- b) What we convey?
- c) How we express it?

E. **Delivering change:** How organizational change is brought about is as important as bringing about the change. Some significant questions to be borne in mind while delivering change are:

- a) How is change delivered?
- b) What means are adopted for producing the change?
- c) How the change is perceived by people?

## 4. Conclusion

It may be difficult to achieve smooth ITIL implementation in an organization as people tend to resist change. There are several other challenges associated with ITIL implementation. But these challenges may be countered by the success factors linked with ITIL implementation. These challenges as well as success factors have been discussed in detail in this White Paper.

After a scrutiny of the challenges and success factors associated with ITIL implementation, it can be inferred that aligning ITIL to an organization's business is the most important factor to succeed in ITIL implementation.

## 5. Acronyms and Glossary

IM: Infrastructure Management.

IMS: Infrastructure Management Services.

ITIL: Information Technology Infrastructure Library.

ITSM: IT Service Management.

RIM: Remote Infrastructure Management.