



ITIL 4

IN A NUTSHELL

If you've been following ITIL, you may already be aware that in 2019, the latest version of ITIL, ITIL 4, was released. This was the Foundation Edition content and exam, with the more detailed Managing Professional content introduced in Q1 2020.

This date may seem unfortunately familiar, with the global pandemic likely taking the focus of many IT departments from ITIL changes for the rest of 2020 as they coped with the impact of the crisis. However, **in 2021, with 80% of organizations accelerating their digital transformation strategies as a result of the pandemic¹**, the combination of ITIL 4 and ITSM tools are a readymade solution for the common business need for digital workflows.

To help you learn more about the latest version of ITIL, the IT Service Management (ITSM) best practice framework, this eBook covers:

- **What changed with ITIL 4**
- **The key components of ITIL 4**
- **The benefits of ITIL when employed with ITSM tools**

¹ ITSM.Tools, Axelos: The Current State of Enterprise Service Management and Digital Transformation

WHAT CHANGED WITH ITIL 4

So much changed with ITIL 4, relative to ITIL v3/2011, but in this eBook we will focus on purely the key changes. These include that:

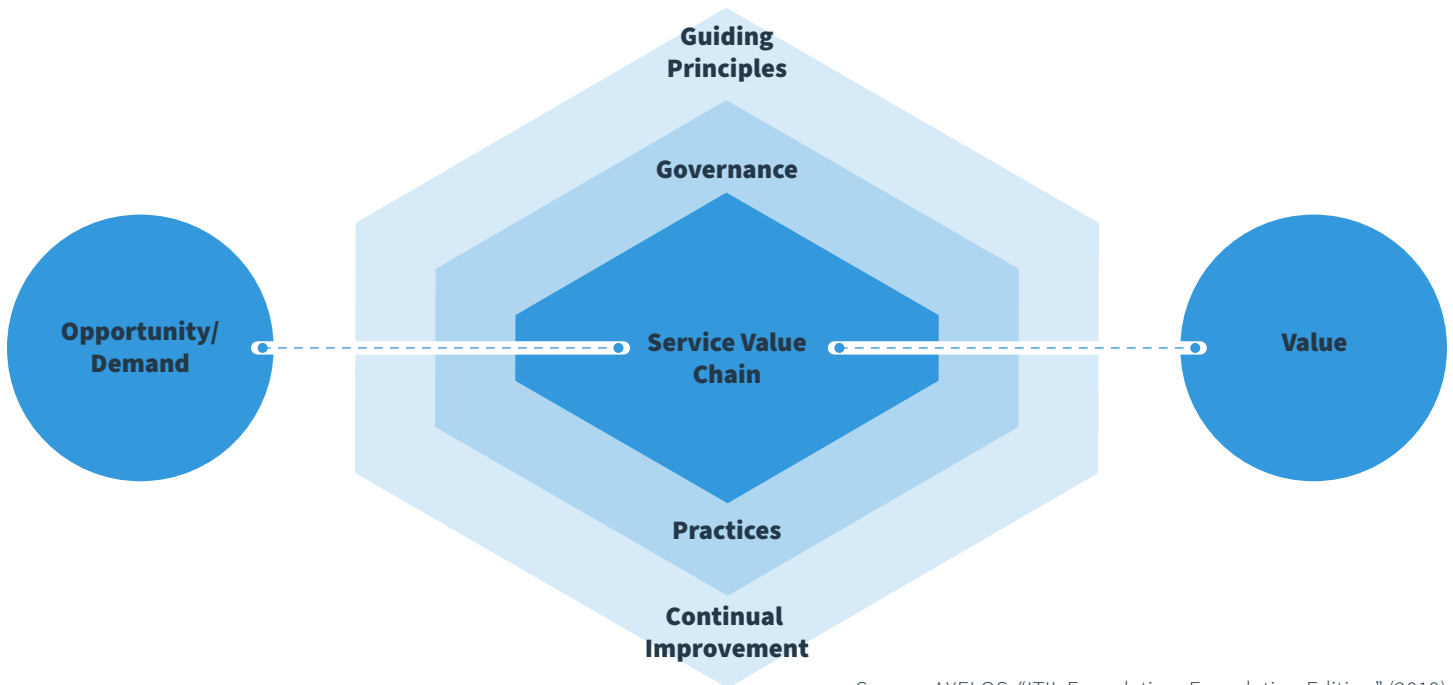
- **The focus of ITIL 4 has moved from IT Service Management to service management as a whole** to reflect the ability of organizations to use ITSM capabilities and ITIL best practices outside of IT in enterprise service management or digital transformation scenarios.
- **ITIL 4 is focused on value creation** – or value co-creation – with this reflected in the new Service Value System and Service Value Chain models. These replace the ITIL v3/2011 service lifecycle.
- **The 26 ITIL v3/2011 processes and four functions have been superseded by ITIL 4’s 34 management practices** – with this recognizing that the required service management capabilities are more than simply processes.
- **ITIL 4 includes the guiding principles that were introduced in 2016’s ITIL Practitioner Guide**, albeit with an update and a reduction from nine to seven principles.
- **ITIL 4 has replaced the “4Ps” of ITIL v3/2011 with “The 4 Dimensions of Service Management.”**

There’s also a change in how the ITIL 4 content is delivered. Now, in addition to physical and digital books, there’s a subscription-based download model for the 34 management practices in a PDF format. This is the only official way that this best practice guidance can be accessed.

THE KEY COMPONENTS OF ITIL 4

The best, and easiest, place to start when learning the key components of ITIL 4 is the Service Value System model. This is presented in the diagram below – and shows what’s involved when demand for services is turned into value.

THE SERVICE VALUE SYSTEM MODEL



Source: AXELOS, “ITIL Foundation: Foundation Edition” (2019)

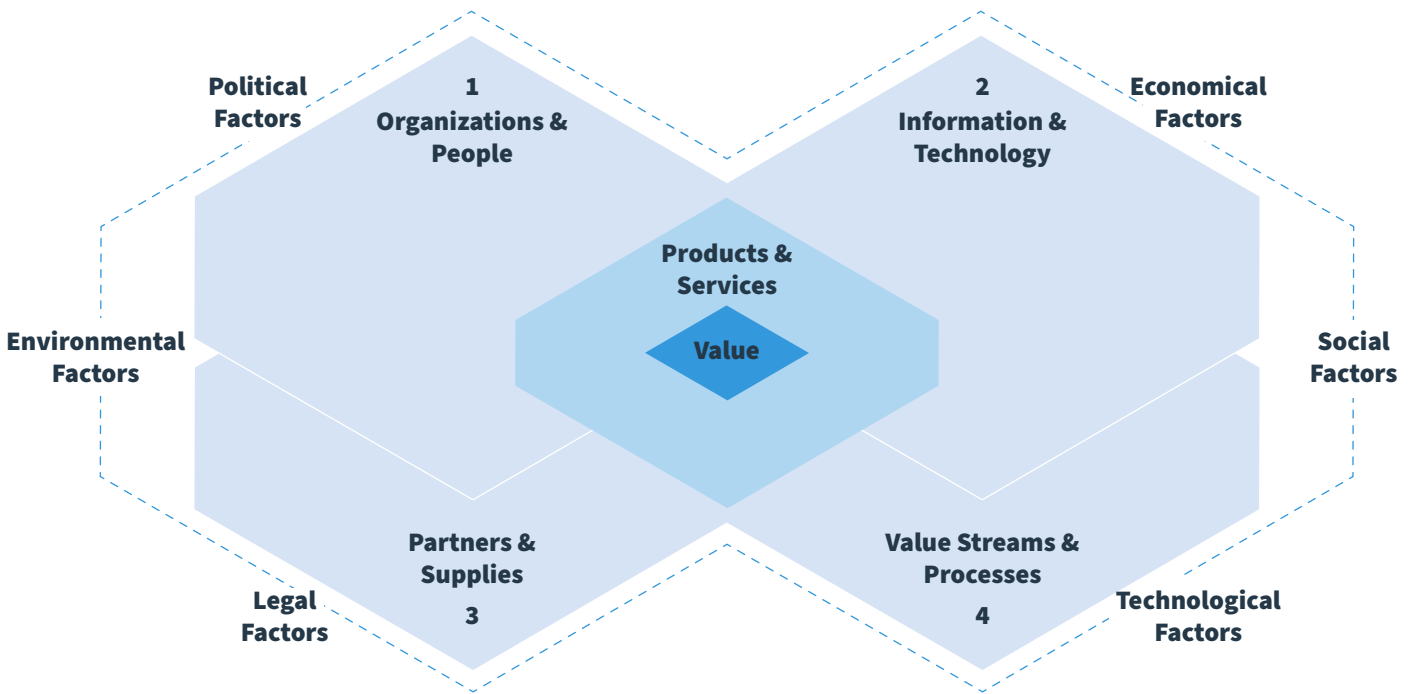
Three of the five central elements of the Service Value System – the guiding principles, management practices, and the Service Value Chain – are covered in more detail across the next three sections. This leaves two elements: continual improvement and governance.

- 1. Continual improvement replaces ITIL v3/2011’s continual service improvement (CSI)**, with two clear differences beyond the change in naming. First, it’s now a management practice rather than a separate book. Second, it applies to more than the improvement of services. For example, continual improvement could be used to improve processes, organizational structure, operational performance, partner working, and technology use.
- 2. Three important aspects of governance are called out in ITIL 4:** the evaluation of whether things are changing in line with stakeholder needs and external forces; direction, in terms of assigning responsibility for strategy development, policy creation, and execution; and the monitoring of organizational performance.

Another important element of ITIL 4 that's not shown in the Service Value System diagram is referred to as "The 4 Dimensions of Service Management".

These four dimensions replace the ITIL v3/2011 4Ps of people, process, product (technology), and partners. As the diagram below shows, the four dimensions aren't overly different from the 4Ps – with people, process, technology, and partners all evident. However, the inclusion of the factors that apply to all four dimensions of service management makes for a more beneficial, but more complicated, view of the service management ecosystem of an organization.

THE FOUR DIMENSIONS OF SERVICE MANAGEMENT



Source: AXELOS, "ITIL Foundation: Foundation Edition" (2019)

ITIL'S GUIDING PRINCIPLES

The seven ITIL guiding principles are shown in the table below:

ITIL Guiding Principle	What It Means
Focus on value	“Everything that the organization does needs to map, directly or indirectly, to value for the stakeholders. The focus on value principle encompasses many perspectives, including the experience of customers and users.”
Start where you are	“Do not start from scratch and build something new without considering what is already available to be leveraged. There is likely to be a great deal in the current services, processes, programs, projects, and people that can be used to create the desired outcome. The current state should be investigated and observed directly to make sure it is fully understood.”
Progress iteratively with feedback	“Do not attempt to do everything at once. Even huge initiatives must be accomplished iteratively. By organizing work into smaller, manageable sections that can be executed and completed in a timely manner, it is easier to maintain a sharper focus on each effort. Using feedback before, throughout, and after each iteration will ensure that actions are focused and appropriate, even if circumstances change.”
Collaborate and promote visibility	“Working together across boundaries produces results that have greater buy-in, more relevance to objectives, and increased likelihood of long-term success. Achieving objectives requires information, understanding, and trust. Work and consequences should be made visible, hidden agendas avoided, and information shared to the greatest degree possible.”
Think and work holistically	“No service, or element used to provide a service, stands alone. The outcomes achieved by the service provider and service consumer will suffer unless the organization works on the service as a whole, not just on its parts. Results are delivered to internal and external customers through the effective and efficient management and dynamic integration of information, technology, organization, people, practices, partners, and agreements, which should all be coordinated to provide a defined value.”
Keep it simple and practical	“If a process, service, action or metric fails to provide value or produce a useful outcome, eliminate it. In a process or procedure, use the minimum number of steps necessary to accomplish the objective(s). Always use outcome-based thinking to produce practical solutions that deliver results.”
Optimize and automate	“Resources of all types, particularly human resources, should be used to their best effect. Eliminate anything that is truly wasteful and use technology to achieve whatever it is capable of. Human intervention should only happen where it really contributes value.”

Source: AXELOS, “ITIL Foundation: Foundation Edition” (2019)

ITIL 4'S MANAGEMENT PRACTICES

ITIL 4's 34 management practices are split across three differentiating groupings as follows:

- 1. General management practices = 14**
 - 2. Service management practices = 17**
 - 3. Technical management practices = 3**
- Where a management practice is defined by ITIL 4 as: "...a set of organizational resources designed for performing work or accomplishing an objective." Importantly, a practice is more than just the process(es).

THE 34 ITIL MANAGEMENT PRACTICES

General Management	Service Management	Technical Management
Architecture management	Availability management	Deployment management
Continual improvement	Business analysis	Infrastructure and platform management
Information security management	Capacity and performance management	Software development and management
Knowledge management	Change enablement	
Measurement and reporting	Incident management	
Organizational change management	IT asset management	
Portfolio management	Monitoring and event management	
Project management	Problem management	
Relationship management	Release management	
Risk management	Service catalog management	
Service financial management	Service configuration management	
Strategy management	Service continuity management	
Supplier management	Service design	
Workforce and talent management	Service desk	
	Service level management	
	Service request management	
	Service validation and testing	

The three different types of practice have been created as follows¹:

- 1. General management practices** – “have been adopted and adapted for service management from general business management domains.”
- 2. Service management practices** – “have been developed in service management and ITSM industries.”
- 3. Technical management practices** – “have been adapted from technology management domains for service management purposes by expanding or shifting their focus from technology solutions to IT services.”

If you're familiar with ITIL v3/2011, then you'll recognize many of these practices and it hence might be easy to overlook the changes. For example, name changes such as “capacity management” changing to “capacity and performance management”, “change management” to “change enablement”, and “event management” to “monitoring and event management.”

The practices themselves have changed too, even where the name has stayed the same. This goes beyond the addition of non-process-related information, to recognize that the real-world use of these capabilities has moved on since 2011. For example:

- Business relationship management has been replaced by the all-encompassing relationship management.
- Change enablement reflects the advancement of DevOps adoption and the need for agility.
- Incident management includes the concept of “swarming.”
- Information security management is revised content based on the AXELOS RESILIA publication.
- Problem management reintroduces error control and problem control from ITIL v2 .
- Release management is separated from deployment management.
- Service level management includes guidance on third-party service providers such as outsourcers and cloud service providers.

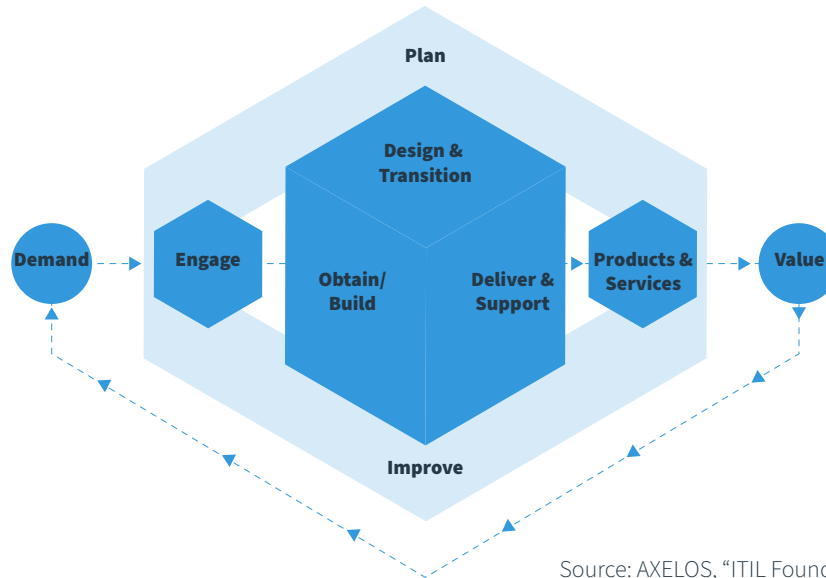
There are also new areas of ITIL 4 coverage to note. For example, the IT asset management, organizational change management, service desk, software development and management, and workforce and talent management practices.

¹ AXELOS, “ITIL Foundation: Foundation Edition” (2019)

THE ITIL 4 SERVICE VALUE CHAIN

As shown in the earlier diagram, the Service Value Chain sits at the heart of the service value system. The ITIL 4 guidance describes it as “an operating model which outlines the key activities required to respond to demand and facilitate value realization through the creation and management of products and services.” It’s comprised of six repeatable elements as shown below.

THE SERVICE VALUE CHAIN MODEL



Source: AXELOS, “ITIL Foundation: Foundation Edition” (2019)

Looking at the above diagram from the outside-in, the six elements – or activities – within the Service Value Chain are:

- 1. Plan** – the gaining of a shared understanding of what’s needed for service provision and support.
- 2. Improve** – the continual improvement of products, services, and practices.
- 3. Engage** – ensuring that stakeholder needs are fully understood and that good working relationships are created.
- 4. Design and Transition** – ensuring that the delivered products and services meet stakeholder expectations across quality, cost, and time-to-market.
- 5. Obtain/Build** – ensuring that the service components are available as needed (whether created or bought in).
- 6. Deliver and Support** – ensuring that service delivery and support meet the agreed specifications and expectations.

The Service Value Chain allows for the formation of various “value streams” that define how value is created for stakeholders. Importantly, the activities within the Service Value Chain can be reused within a single value stream. For example, a value stream might “double back” through a previous activity to reflect multiple instances of engagement.

THE BENEFITS OF ITIL AND ITSM TOOLS

The benefits of ITIL can be viewed from a number of perspectives. For example, whether it's the use of ITSM per se, the use of ITIL guidance, or the use of an ITSM tool that really makes the difference – with benefits often overlapping these three areas to some extent.

ITSM BENEFITS

The use of ITSM, even without the adoption of ITIL best practice guidance, is highly beneficial to organizations. For example, that ITSM:

- Takes the focus from individual IT domains to services and their delivery and improvement
- Improves IT delivery and support through formal practices
- Increases speed and efficiency of operations
- Reduces costs through standardization
- Defines responsibilities and accountabilities
- Measures success closer to the point of service consumption
- Allows for the comparison of operations and performance between organizations
- Use can be extended to other business functions to improve their operations and outcomes

Ultimately, this begins an improvement journey to bring about “better, faster, and cheaper” service delivery and support operations and outcomes.

ITIL BENEFITS

The introduction of ITIL service management best practice guidance then adds an extra layer of benefits, often amplifying the benefits of ITSM use. In addition to the benefits of ITSM, the introduction of ITIL brings:

- Standardization and optimization based on proven best practice.
- Increased control and governance.
- A better platform for demonstrating IT's, or any business function's, value.
- A common language for both internal and external conversations on operations, performance, and improvement.
- The integration of newer practices such as Agile, DevOps, and Lean plus the use of newer technologies (based on the optimize and automate guiding principle in particular).

ITSM TOOL BENEFITS

Most modern ITSM tools have been designed with ITIL best practices in mind. Plus, using automation and other technology-based enablement to improve operations and outcomes for both IT departments and other business functions – via enterprise service management or digital transformation strategies. ITSM tools again add an extra later of benefits, amplifying the benefits of both ITSM and ITIL practices through automation and other capabilities. For example:

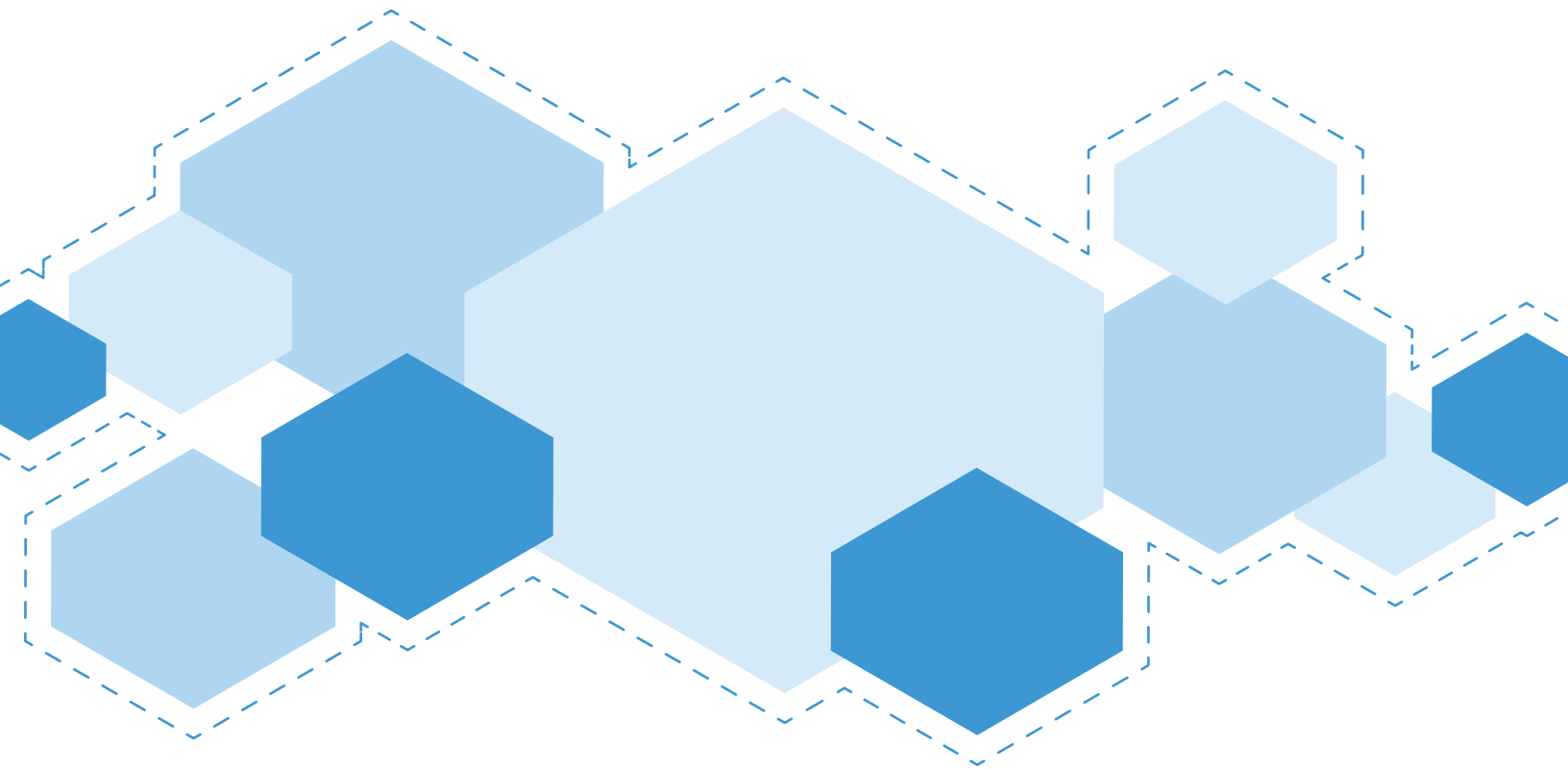
- The benefits of automation, and new technologies, make for “better, faster, and cheaper” operations and outcomes; in particular, meeting the increasing customer and employee demands and expectations of IT and other corporate service providers.
- Omnichannel service and support capabilities offer choice to employees and potentially customers.
- Knowledge is more easily captured and shared to improve operations and outcomes.
- There's greater insight into operational performance in terms of reporting and analytics.
- There's a greater ability for rapid improvement and innovation.

Ultimately, it's the ITSM tool that truly delivers the full benefits of ITSM and ITIL and provides the platform for the digital transformation that organizations need in 2021 and beyond – not only in the IT department but across the whole enterprise.

NEXT STEPS

While much of ITIL 4 is familiar at a practice-level, it's now a completely different approach to service management that elevates those who use it from being focused on ITSM processes to value creation (or co-creation).

If you would like to understand more about ITIL 4 and how it can help your organization, in both IT operations and digital transformation terms, then [get in touch with one of our EasyVista experts today!](#)



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