

# ITIL4<sup>®</sup> Overview

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This publication has been revised by Barclay Rae to bring the content up to date with current ITIL® guidelines. Rae is an independent management consultant, analyst, and writer in the ITSM Industry, with over 20 years consultancy experience involving over 500 projects. He is a ITIL4 co-author and lead editor of the ITIL4 Create, Delivery and Support publication, co-author of the 2016 “ITIL Practitioner Programme,” plus a contributor to SDI standards and certification programs. Rae has over 30 years’ experience in IT and is also currently operating as the CEO of ITSMF UK. ITIL® is a registered trade mark of AXELOS Limited. All rights reserved.

### **Note to Readers**

**This publication highlights the key elements of the ITIL Service Design publication and includes commentary on important concepts from BMC and ITIL experts.**

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# Introduction

In early 2019 Axelos released the latest version of the global best practice for IT Service Management, ITIL 4. In the version of the framework Axelos has gathered subject matter experts from around the globe to ensure greater alignment and integration with modern day working practices, methodologies and standards, including DevOps, Agile and Lean approaches.

ITIL 4 recognises the focus of modern IT organizations on digital transformation, customer experience and the drive for service excellence. The framework is designed to offer practical guidance to any organization looking to understand how to adopt and apply a best practice mindset and approach to their IT Service Management capabilities.

ITIL 4 is specifically designed to address the needs of all verticals and levels of maturity, whether an organization be high velocity in nature, steady

and stable evolving through organic growth. The concepts and models defined can be used to deliver excellence and drive maturity in any approach to IT Service Management.

ITIL 4 is a significant development from previous version, although much of the detailed 'practice' content remains in a recognisable form. The context and positioning of ITIL has however developed as a strategic and unifying element across the business and technology landscape. The approach has changed to ensure that ITIL meets the needs of a modern digital based service management workforce.



# Overview

The structure of ITIL 4 is relatively easy to absorb and comprehend, as with all frameworks it is designed for organizations to evaluate, adopt and adapt in line with their own specific requirements and objectives.

For this guide, ITIL 4 has been encapsulated into 7 main areas:

- 1. Key Concepts**
- 2. The Service Value System**
- 3. The 4 Dimensions**
- 4. The Service Value Chain**
- 5. The Guiding Principles**
- 6. ITIL Practices**
- 7. Key Definitions**

The nature of ITIL 4 is that nothing stands in isolation, all of the elements above should be assessed holistically and with an understanding that ITSM is approached best from a perspective of connectivity and interaction.

# Key Concepts

## Value Co-creation

There are a number of core concepts defined in ITIL 4 which should be understood and addressed by any organization looking to implement or improve their ITSM delivery based upon best practice. These concepts “set the scene” for the framework and enable organizations to have a ‘joined-up’ approach to service management and set a common language. Also, and most importantly these concepts help to start the journey towards value and to set a foundation that they will build upon and deliver.

It is important to understand that value is always ‘co-created’ by the activities enacted by the consumer and the provider. This is a fundamental change in ITIL 4 – organisations and consumers combine to create value; this is not a linear transaction ‘done’ by one to the other. An application that has been built to high levels of specification and functionality only actually delivers value when it is being used. From this perspective, service value must be seen as flexible and service delivery must also be accepted as a moving, rather than fixed entity.

For example, a provider may produce an application with extensive levels of functionality, however if the consumer does not use (or require) the application as planned and designed for, then value will never be realised and achieved.

Whilst value is co-created, its realisation is in the eye of the beholder (the consumer). Value can be seen as a combination of outcomes, cost and risk. If that evaluation and perception lead to more positive outcomes than negative, value is seen to be achieved.

The consumer will look at the outcomes affected and assess against the outcomes supported (those required), they will look at costs introduced and assess against costs removed, they will look at risks introduced and assess against risks removed.

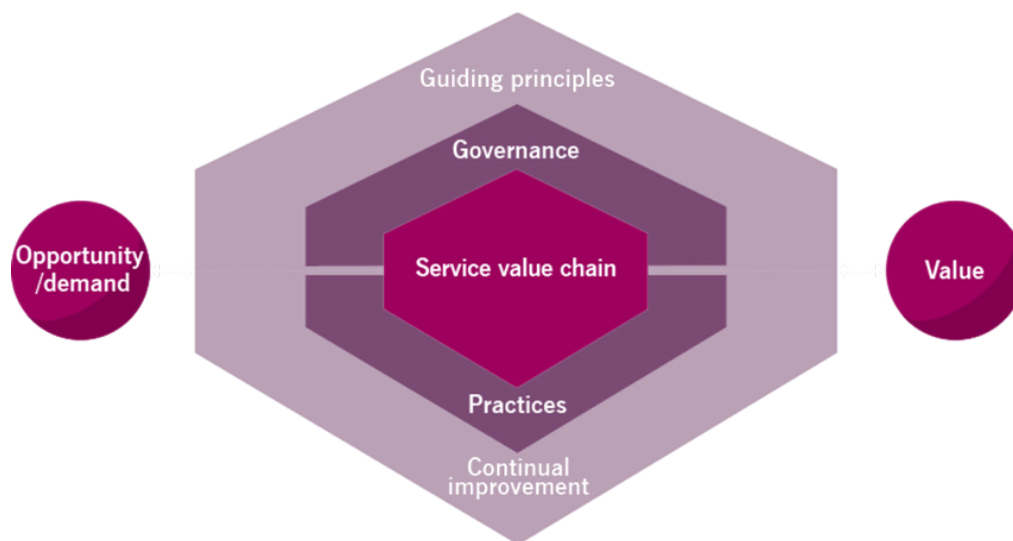
Overall, the balance of perception must weigh to the positive, if value is to be achieved. An example could be an organization moving to a new service provider for one or more services, they may perceive that the cost is greater than the previous provider however the risk and desired (supported) outcomes are superior, so on balance, value is achieved.



# The Service Value System (SVS)

Definition - facilitates integration and coordination of various organizational components and activities and provides a strong, unified, value-focused direction for the organization.

The purpose of the SVS is to ensure that the organization continually co-creates value with all stakeholders through the use and management of products and services. The SVS is a new concept for ITIL, although experienced practitioners will recognize its main proposition – that all aspects of technology creation, delivery and support are connected and must be working together.



Put simply the SVS addresses the challenge of ITSM organizations working in a disparate and disconnected manner. It describes the key elements should be approached as interconnected parts of an overall system, this avoids silo-based working, gaps and overlaps in service provisioning and the risk of value not being achieved.

The SVS facilitates the journey from opportunities (demand in the form of feedback, new requirements, updates etc.) for new or improved services and - through a joined-up, effective and efficient operation, produces value. This is done via a constantly looping cycle of activities, feedback mechanisms and outputs, design and build, development testing and support.

The SVS describes 5 parts to this system

**Guiding Principles** – Recommendations that guide an organization and its people on how to work flexibly in all circumstances

**Governance** – The means by which an organization is directed and controlled

**The Service Value Chain** – an operating model which outlines the key activities required to respond to demand and facilitate value creation through the creation and management of products and services

**Practices** - sets of organizational resources designed for performing work or accomplishing an objective, including process and capabilities

**Continual Improvement** - a recurring organizational activity performed at all levels to ensure that an organization's performance continually improves in meeting stakeholders' expectations



# The Four Dimensions of Service Management

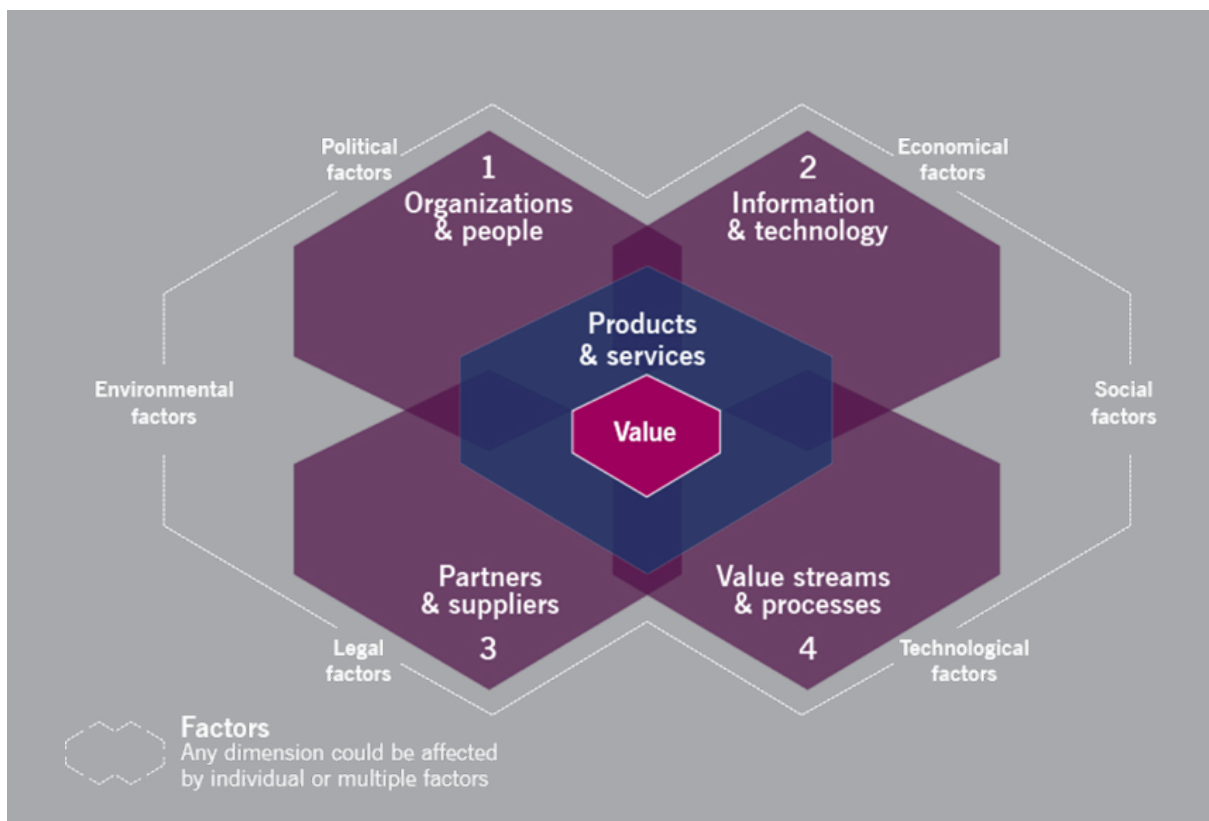
To support a holistic approach to service management, ITIL defines 4 dimensions that collectively are critical to the effective and efficient facilitation of value for consumers in the form of products and services.

The 4 dimensions are the structure that must be in place within your organization to deliver an effective and efficient ITSM capability, they are relevant to and impact upon the Service Value System. They define the 4 key areas that must be

addressed with equal vigour to ensure product and services can deliver to the required standard and in line with the value expected.

Failure to address the 4 Dimensions can lead to poor quality of services, service unavailability or not meeting the needs of the organization and thus impairing value realisation.

Due to consideration to all 4 dimensions will ensure that the breadth and depth of an organizations ITSM delivery capabilities is and can be designed/improved where required and in line with strategic objectives.





The 4 Dimensions of IT Service Management are:

1. Organizations and People
2. Information and Technology
3. Partners and Suppliers
4. Value Streams and Processes

## Organizations and People

This dimension has a focus on the organizational structure of your ITSM department and the skills and competencies of your staff. For ITSM to work as a system as defined in the Service Value System, organizations need to ensure that the structure matches the type of services being delivered in line with the standards and methodologies in place and planned. Failure to address this dimension will lead to gaps in service provision, poor working practices and a lack of morale and a culture of service excellence amongst staff.



As ITSM organizations evolve into the digital age they can become ever more complex, with this complexity comes a need to ensure:

- A suitable structure and effective management
- Systems of authority are defined, communicated and governed
- Communication methods are established and consistent (information cascade)
- A service-based culture is in place to ensure objectives are achieved
- Staff have the right levels of competency and skills to fulfil their roles
- All leaders champion and advocate values that motivate their staff and peers
- There is a continual promotion of a culture based upon trust and transparency
- Silos are identified and broken down as necessary

It is important to understand when looking at this dimension that structure and systems of authority are not, by themselves, sufficient to improve organizational effectiveness. The organization also needs a culture that supports its objectives.

This dimension will enable organizations to define, implement, manage and improve:

- Management capabilities and leadership styles
- Formal organizational structures
- Staffing and competency levels required
- Systems for communication/collaboration
- Broad knowledge (Business and IT) as well as deep specialisation

## Information and Technology

This dimension has a focus on the technology needed to deliver services and products, it also ensures that data and information are considered. It looks at 3 core areas:

- Information and Knowledge
- Technologies
- Relationships between components

All ITSM organizations by their nature have to manage and provide technology product solutions which enable the services they provide to their customers; they also need to understand the requirements for the supporting technologies which are critical to the delivery and support of their products and services. Alongside these technology considerations is the management and protection of data and the provision of knowledge.

Some of the key consideration's organizations need to address in this dimension are:

- Is this technology compatible with the current architecture?
- Does the organization have the right skills to support and maintain it?
- Does it raise any regulatory, compliance, or information security control issues?
- Does it have sufficient automation capabilities to be developed, deployed and operated?
- Will it continue to be viable in the foreseeable future?
- Does it have additional capabilities that can be leveraged for other products or services?
- Does it align with the service provider or service consumer strategy?
- Does it introduce new risks or constraints to the organization?

Whilst the above considerations apply to all types of ITSM organization, it is important to note that organizational culture and the nature of the organization's business will also have an impact on which technologies it chooses to use. Some organizations may operate or offer steady state services and technologies whilst higher velocity ones may have a strategy for a more leading-edge approach.

When giving specific focus to the component of this dimension, organizations should consider:

- What information is managed by services?
- What supporting information and knowledge is needed to deliver and manage the services?
- How will the information and knowledge assets be protected, managed, archived and disposed of?

For many services, information management is the primary means of delivering customer value. The information architecture should be well understood and continually optimised

When assessing the capability and operation of any technology the below should be assessed in line with the business requirements and agreed operational targets:

- Availability
- Reliability
- Accessibility
- Timeliness
- Accuracy
- Relevance

The challenges of information management, such as those presented by security and regulatory compliance requirements, are also a focus of this dimension.

## Partner and Suppliers

This dimension has a focus on the 3rd parties that are critical to the delivery of IT products and services. Every ITSM organization will have a dependency to some extent on services and products provided by other organizations. These services can be related to strategic advice and guidance, provision of professional or supporting services, cloud and hosting service and component level resources.

Many services provided by ITSM organization have a critical path to suppliers and partners. As such is it vital that due diligence and careful management be performed in this dimension.

In order to understand and identify the scope of this dimension, relationships need to be defined for all 3rd parties in line with the organization's services covering:

Design

Development

Deployment

Delivery and Support

## Continual Improvement

This dimension covers contracts and other agreements between the organization and its partners.

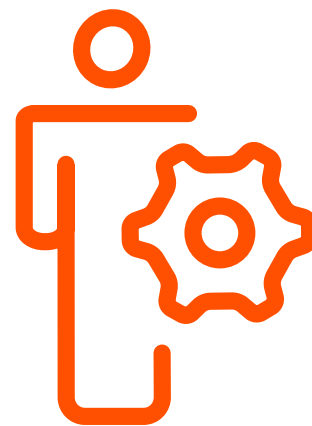
Relationships between organizations with regards to service design and provisioning can often be complex in nature and may involve different levels of integration and formality. Some partners and suppliers will be mission critical and require more intense management and engagement, others may be more commodity or point of time base and require less rigour.

Some relationships with external organizations will require formal contracts with very clear separation of responsibilities, others will be based on informal partnerships based upon shared goals and generic agreements. In this dimension it is important for the ITSM organization to understand the appropriate level of relationship and formality for each supplier and partner and establish processes and working practices accordingly.

Given the complexities and scope of supplier and partner management, organizations are looking to specific methods to ensure quality and compliance, one of which is the Service Integration and Management (SIAM) operating model. SIAM This involves the use of a specially established service integrator to ensure that service relationships are properly coordinated. SIAM may be kept within the organization but can also be delegated to a trusted partner.

There is a plethora of factors that will influence and organizations strategy and operational approach when selecting and using suppliers, these include:

- Strategic Focus: focus on core competencies and outsource non-core to third parties
- Corporate culture – long-standing cultural bias can be difficult to change
- Resource scarcity - key resources or skills might be in short supply
- Cost concerns – what is the most economical way to source a particular requirement
- Subject matter expertise -: a supplier might have the relevant expertise required, whereas the provider might not
- External constraints- Government regulations or policies, industry codes-of-conduct, legal, political, social – all of these might affect a supplier strategy
- Demand patterns - seasonal or highly fluctuating



## Value Streams and Processes

This dimension has a focus on the activities required to deliver the objectives of the ITSM organization and meet the demands of the consumer. This dimension will require the ITSM organization to define, document and communicate how various parts of the organization work together to enable value creation through products and services.

To enable this level of understanding and clarity this dimension defines the activities, workflows, controls and procedures needed to achieve agreed objectives and targets.

The service provider will also need to ensure there is focus on:

- What activities the organization undertakes
- How activities are organised
- How value is created for all stakeholders both efficiently and effectively

All ITSM organizations will have evolved into providing products and services through the implementation of processes, whether they be informal and based upon loose collaboration or more mature in nature with comprehensive documentation, communication, measurement

and improvement. To achieve the required level of competency and success in the dimension the service provider will need to understand the nature and definition of value streams, a value stream is defined in ITIL 4 as:

“A value stream is a series of steps an organization undertakes to create and deliver products and services to service consumers”

“A value stream is a combination of the organization’s value chain activities”

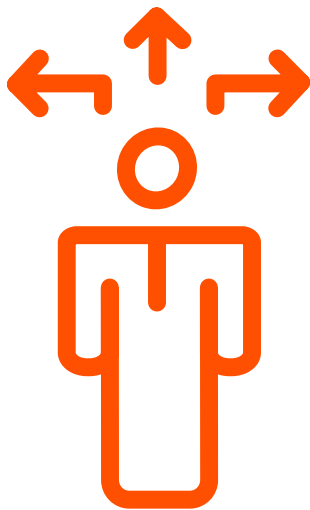
A value stream will incorporate a number of processes, resources, capabilities and tools...

When optimising a value stream, there may be benefit in optimisation, encompassing process automation or in the adoption of emerging technologies, in order to improve the speed or efficiency of the stream. Recognition or mapping of the total end-to-end value stream is important as a first step to recognising where to.

In essence a value stream is a specific activity passing through the Service Value Chain and thereby (co)creating value.

Examples of value streams are:

- An incident that needs to be resolved
- A request that needs to be delivered
- A change that needs to be managed and delivered
- A product that needs to be defined and implemented



It should be noted that any of the 4 Dimensions can be affected by external factors, these are grouped into 6 areas:

1. Political
2. Economic
3. Social
4. Technological
5. Legal
6. Environmental

Consideration needs to be given to the impact these external factors (known as PESTLE) can have on the ability to deliver ITSM across the 4 Dimensions, for example service providers need to be aware of regulations relating to how they manage data (GDPR) or hardware assets as well as understanding the impact of political and economic change on the geographical and market areas in which they exist.

# The Service Value Chain

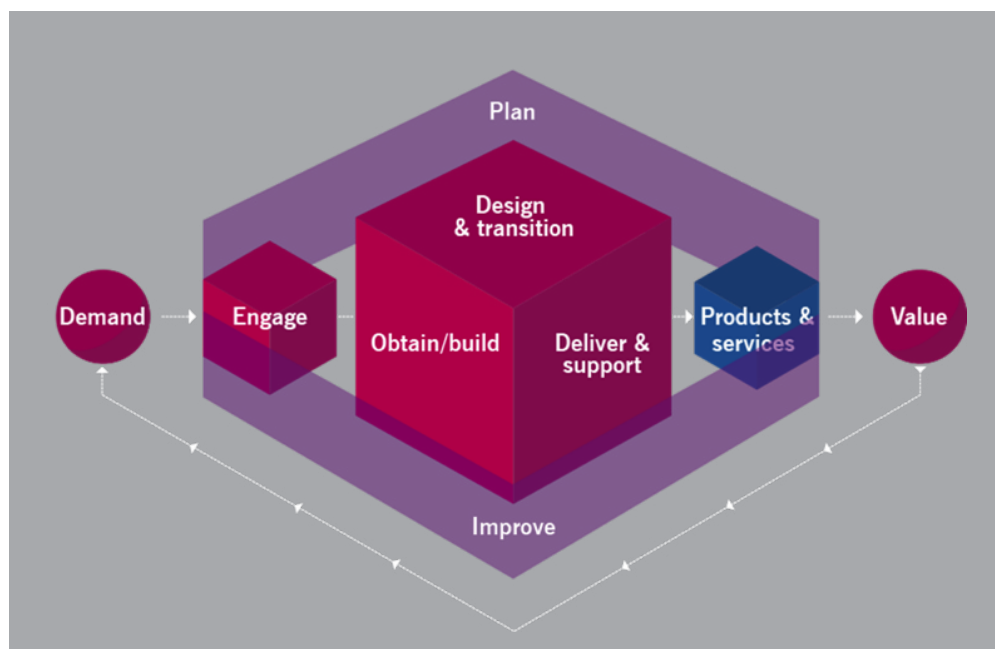
The central element of the SVS is the Service Value Chain, an operating model which outlines the key activities required to respond to demand and facilitate value creation through the creation and management of products and services.

The Service Value Chain is at the heart of the Service Value System, it enables organizations to deliver products and services in line with their own methodologies, standard and principles. Each organization can use the elements of the service value chain to the scope and depth that matches their approach to service management. For instance, a fully agile organization may deploy services and products with an iterative approach to Design and Transition and Deliver and Support whereas other organizations may take a more traditional approach and for the same services and products utilize more areas of the service value chain such as Plan and Engage.

Ultimately It is up to each organization to decide how to use the service value chain, the key is to use and an when suits the culture, requirements and deliverables as per the agreements and expectations of their customer.

The 6 elements of the Service Value Chain are:

1. Plan
2. Improve
3. Engage
4. Design and Transition
5. Obtain/Build
6. Deliver and Support





Each activity in the service value chain represents the steps an organization takes in the creation of value. Each activity contributes to the value chain by transforming specific inputs into outputs. To convert inputs into outputs, the value chain activities use different combinations of ITIL practices. Each activity may draw upon internal or third-party resources, processes, skills and competencies from one or more practices.

Each value chain activity has a specific scope and definition:

- All incoming and outgoing interactions with parties external to the service provider are performed via engage value chain activity
- All new resources are obtained through the obtain/build activity
- Planning at all levels is performed via plan activity
- Improvements at all levels are initiated and managed via improve activity
- Creation, modification, delivery, maintenance and support of component, products and services are performed in integrated and coordinated way between design and transition, obtain/build and delivery and support activities

### **PLAN - Purpose**

To ensure a shared understanding of the vision, current status and improvement direction for all four dimensions and all products and services across the organization

### **IMPROVE - Purpose**

To ensure continual improvement of products, services and practices across all value chain activities and the four dimensions of service management

### **ENGAGE - Purpose**

To provide a good understanding of stakeholder needs, continual engagement with all stakeholders, transparency and good relationships with all stakeholders

### **DESIGN AND TRANSITION – Purpose**

To ensure that products and services continually meet stakeholder expectations for quality, costs and time to market

### **OBTAIN/BUILD – Purpose**

To ensure that service components are available when and where they are needed, and meet agreed specifications

### **DELIVER AND SUPPORT – Purpose**

To ensure that services are delivered and supported according to agreed specifications and stakeholders' expectations

# The Guiding Principles

A guiding principle is a recommendation that guides an organization in ALL circumstances regardless of changes in its goals, strategies, types of work or management structure. A guiding principle is universal and enduring.

Guiding principles have evolved from those as first defined in the (2015) ITIL v3 Practitioner publication. They are a set of guidelines that ITSM organization can adopt and follow to ensure a consistent approach to all areas of service definition, design, delivery and improvement. Correct understanding of the guiding principles can encourage service quality and consistency as well as an overall positive culture based upon service excellence.

The Guiding principles are a practical way to 'adopt and adapt' the ITIL guidance. ITIL is not prescriptive – has never been – as it works in a constantly changing service environment. Flexibility, common sense and pragmatism is needed, and these are provided as a guide on how to approach different situations.

Guiding principles support success actions and good decisions of all types and at all levels of the organization, these principles are reflected in Lean, DevOps, Agile, etc and allow for interaction and integration of multiple methods into a consolidated approach to service management.

The 7 guiding principles are:

1. Focus on Value
2. Start where you are
3. Progress iteratively with feedback
4. Collaborate and promote visibility
5. Think and work holistically
6. Keep it simple and practical
7. Optimise and automate

## FOCUS ON VALUE

Everything an organization does needs to link back to value, this value should be clear for providers, customers and stakeholders. To enable a focus on value the organization has to identify who is receiving services and how they will receive and measure value through the services being delivered.

There are 4 key characteristics of value that an organization must understand:

- It is defined by the customer
- It changes over time and circumstance
- There must be an affordable mix of features
- There must be an achievement of objective

Value can come in many forms and it is vital that the relationship between the provider and consumer addresses this, value may be monetary based but often encompasses much more (for example quality, experience, trust and innovation).

The service provider needs to know what is of value to the consumer(s)

- Why consumers use the services
- What the services help them to do
- How the services help them to meet their goals
- The risks involved for the consumer
- The role of cost/financial consequences to the customer

The service provider will need to know how consumers use each service and continually encourage a focus on value amongst all staff. Any improvement initiative should have a focus on value within every step. Work that does not clearly produce some form of value should be stopped.




**ITIL 4 Guiding Principles**

- What is value?
  - Customer / user value
  - Business demand and value
  - Employee value
  - Stakeholder value...

**Discover, define, build, target, measure, demonstrate**

**FOCUS ON VALUE**



## START WHERE YOU ARE

This guiding principle encourages the organization to avoid “re-inventing the wheel” and starting over without first considering what is already available (the current state) and can be leveraged.

Starting where you are can avoid unnecessary cost and shorten the time to value realisation for the customer.

Most organizations will have lots of good practices embedded in current service, processes, technologies etc, these should be evaluated as fit for purpose on any new initiative or service improvement.

When assessing current state care should be given to ensure reports match the reality, measurements should be used in live with existing data to give a true picture of performance and capability.



**ITIL 4 Guiding Principles**

- Understand and get consensus on:
  - Issues, maturity, people, customers, challenges, impact, risk, costs, opportunities, positives
- Use good work already done
- Look for opportunities to collaborate and move forward

**There's no 'one size fits all'**

**START WHERE YOU ARE**



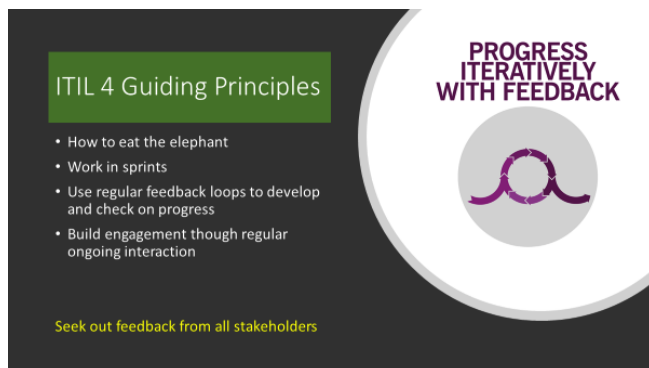
## PROGRESS ITERATIVELY WITH FEEDBACK

This guiding principle has its roots in an agile approach to ITSM, it is based on resisting the temptation to do everything at once and rather taking the approach to organise work into smaller manageable sections, the focus on each effort will be sharper and easier to maintain, improvements should be implemented as sequential or simultaneous. The propose of this guiding principle is to ensure value can be delivered quickly and when and where it is needed.

Feedback should be sought and used before, throughout and after each iteration, it helps participants to understand where their work comes from, outputs go and how their actions affect the outcomes.

A good approach to adopting this guiding principle is the use of feedback loops, they aid:

- End user and customer perception of the value created
- The efficiency and effectiveness of the value chain activities
- The demand for products and services



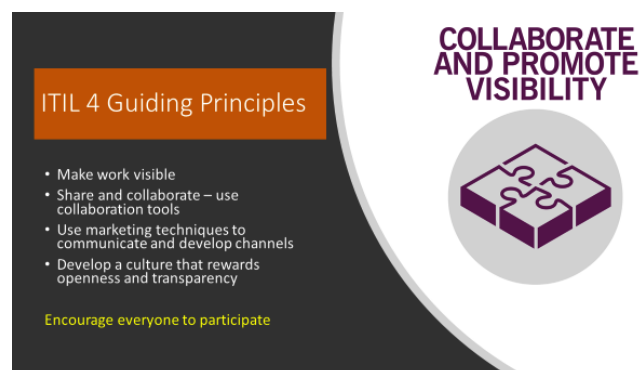
## COLLABORATE AND PROMOTE VISIBILITY

This guiding principle is essentially about breakdown silos within organization and promoting effective collaboration. This comes from the ethos that inclusion is generally better than exclusion and collaboration with cooperation is better than isolated work. Collaboration should have no limits to its scope all stakeholders should be encouraged to engage regularly and effectively.

Recognition of the need for genuine collaboration has been one of the driving factors in the evolution of what is now known as DevOps. Without effective collaboration, neither Agile, Lean, nor any other ITSM framework or method will work.

Collaboration and visibility promote:

- Shared goals
- Trust
- Improved decision making
- Increased chances of success
- A clear understanding of the way forward
- Alignment will be kept as work progresses



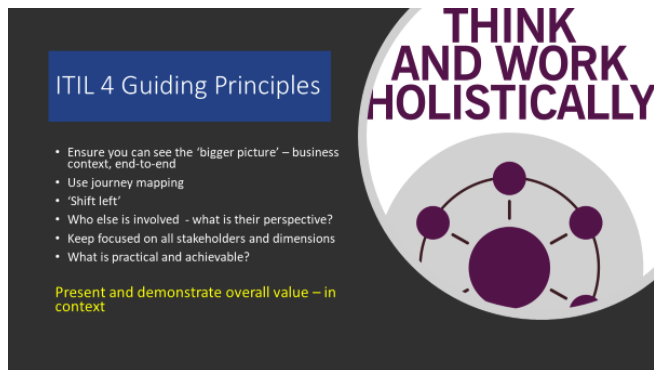
## THINK AND WORK HOLISTICALLY

This guiding principle is based in the fundamental understanding that no service, process, department or supplier stands alone, all services must be delivered through the capabilities enabled within the 4 dimensions of service management.

Taking a holistic approach enables an understanding of how all parts of the organization work together in an integrated way, it recognises that systems may be complex and as such need to not only deliver to detail but never lose site of the complete picture.

Collaboration is key to thinking and working holistically, the service provider will need to draw on knowledge in every area to identify what is essential for success.

**“Holistic”** – Dealing with or treating the whole of something and not just a part



## KEEP IT SIMPLE AND PRACTICAL

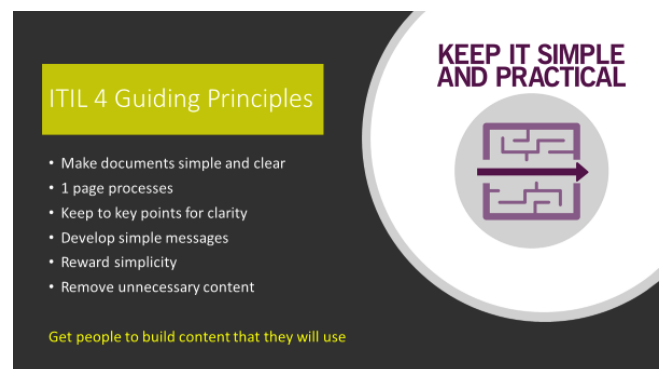
This guiding principle suggests that an effective approach to ITSM is to use the minimum number of steps and avoid over complication.

It suggests some simple rules to follow to enable the principle:

- Ensure value – Every activity should contribute to the creation of value
- Simplicity is the ultimate sophistication –it may seem harder to simplify but it is often more effective
- Do fewer things but do them better – allows focus on quality
- Respect the time for the people involved
- Avoid bureaucracy
- Easier to understand, more likely to adopt

Keeping it simple and practical is the best route to achieving quick wins.

Documents that are simple can be significantly more effective in communication than large detailed volumes. Processes that are simple will have a better chance of being seen, understood and observed.



## OPTIMISE AND AUTOMATE

This guiding principle is key to effectiveness and efficiency. Automation frees up expensive human resources and enables them to concentrate on more human intensive areas and the overall customer experience.

**“Optimisation”** - To make something as effective and useful as it needs to be

**“Automation”** - Typically refers to the use of technology to perform a step or series of steps correctly and consistently with limited or no human intervention

To enable success in adoption of this guiding principle, organizations should:


- Optimise before automating
- Define relevant metrics intended and actual results should be evaluated, metrics should be outcome based and focused on value
- Eliminate anything that is truly wasteful and use technology to achieve whatever it is capable of

ITIL 4 Guiding Principles

- Remove unnecessary manual work
- Eliminate repetitive work
- Look for opportunities to optimize and develop efficiency
- Consider and prepare systems for automation

Automate where required – where there are value opportunities

**OPTIMIZE AND  
AUTOMATE**



# The Guiding Principles

Practices are sets of organizational resources designed for performing work or accomplishing objectives. They are in essence all capabilities and resource a service provider needs to enact processes and procedures.

Practices recognise that service providers have always had capabilities rather than just processes and they understand that all ITSM organizations do not have a purely linear approach to process enablement.

For example, an ITSM organization may have a number of discrete incident management processes (such as HR incidents, Facilities Incidents, IT incidents and security incidents) all of which are delivered by a set of capabilities and resources, in this case the Incident Management Practice.

## ITIL 4 groups practices into 3 areas:

**Management Practices** – These have been adopted and adapted for service management from general business domains

**Service Management Practices** – These have been developed in service management and ITSM industries

**Technical Management Practices** – These have been adapted from technology management domains for service management purposes by expanding or shifting their focus from technology solutions to IT services

## GENERAL MANAGEMENT PRACTICES

- Architecture management
- Continual improvement
- Information security management
- Knowledge management
- Measurement and reporting
- Portfolio management
- organizational change management
- Project management
- Relationship management
- Risk management
- Service financial management
- Strategy management
- Supplier management
- Workforce and talent management



## SERVICE MANAGEMENT PRACTICES

- Availability management
- Business analysis
- Capacity and performance management
- Change enablement
- Incident management
- IT asset management
- Monitoring and event management
- Problem management
- Release management
- Service catalogue management
- Service configuration management
- Service continuity management
- Service design
- Service desk
- Service level management
- Service request management
- Service validation and testing

## TECHNICAL MANAGEMENT PRACTICES

- Deployment management
- Infrastructure and platform management
- Software development and management

# ITIL 4 Definitions

**“Service Management”** – A set of organizational capabilities for enabling value to customers in the form of services

**“Service”** - A means of enabling value co-creation by facilitating outcomes that customers want to achieve, without customers having to manage specific costs and risk

**“Value”** - The perceived benefits, usefulness and importance of something

**“Product”** - A configuration of an organization’s resources designed to offer value to a customer

**“Organization”** - A person or a group of people that has its own functions with responsibilities, authorities and relationships to achieve its objectives

**“Customer”** - A person who defines requirements for services and takes responsibility for outcomes from service consumption

**“User”** - A person who uses services

**“Sponsor”** - A person who authorizes the budget for service consumption

**“Stakeholder”** - A person with a (vested) interest in the service provision, this can include shareholders, executive, customers and users etc

**“Output”** - The tangible or intangible delivery of an activity

**“Outcome”** - A result for a stakeholder enabled by one or more activities

These terms can cause confusion but a simple way to look at this is a car manufacturer produces an output (car) which is use by the stakeholder to achieve a required outcome (completion of a journey)

**“Utility”** - The functionality offered by a product or service to meet a particular need

This is more easily understood as considering “what the service does”

**“Warranty”** - The assurance that a product or service will meet agreed requirements

This is more easily understood as considering “how the service performs”

**“Service Offering”** - A formal description of one or more services, designed to meet the needs of a target consumer group. A service offering may include goods, access to resources and service actions

**“Service Relationship”** - A cooperation between a service provider and a service consumer. Service relationships include service provision, service consumption and service relationship management

**“Service Consumer”** - A role performed by an organization in a service relationship to consume services

**“Service Provider”** - A role performed by an organization in a service relationship to provide services to consumers

**“Service Relationship Management”** - Joint activities performed by a service provider and a service consumer to ensure continual value co-creation based on agreed available service offerings

**“Output”** - A tangible or intangible delivery of an activity

**“Outcome”** - A result for a stakeholder enabled by one or more outputs

**“Cost”** - The amount of money spent on a specific activity or resource

**“Risk”** - A possible event that could cause harm or loss or make it more difficult to achieve objectives. Risk can also be defined as uncertainty of outcome, and can be used in the context of measuring the probability of positive outcomes as well as negative outcomes

# Conclusion

ITIL 4 recognizes that services are the main way that organizations can and do provide value to themselves and their customers. Almost all services provided across the globe are IT enabled, this presents a tremendous opportunity for organizations to create, expand and improve their ITSM capability.

ITIL 4 provides a framework and best practice guidance that will enable organization to face the fresh and ever evolving challenges of a digitally enabled world and a customer base they are demanding an ever-increasing velocity of service delivery and value realization. ITIL 4 is designed to ensure a flexible, coordinated and integrated system for the effective governance and management of IT enabled services.



## About BMC

BMC delivers software, services, and expertise to help more than 10,000 customers, including 92% of the Forbes Global 100, meet escalating digital demands and maximize IT innovation. From mainframe to mobile to multi-cloud and beyond, our solutions empower enterprises of every size and industry to run and reinvent their businesses with efficiency, security, and momentum for the future.

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