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ITIL Adoption in Australia:
2 years of itSMFA Surveys and Case Studies

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The research team

Signing USQ/itSMFA research agreement June 2006

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Research output to date

- itSMF Australia 2005 & 2006 Conferences: Summary of ITIL Adoption Survey Responses, technical reports. USQ.

*Free downloads available http://eprints.usq.edu.au/*
Demographics

Location of respondents

Industry sector of organisation
ITIL adoption

ITIL 2005

ITIL 2006

- Starting
- Partially
- Largely
- Fully
Other popular frameworks

- ITSM
- ISO 9001
- BSC
- Prince 2
- PMBOK

No plans
Starting
Partially
Largely
Fully

Graph showing the level of adoption for each framework.
Concurrent implementation

ITIL (110)

6 orgs: 4 frameworks
15 orgs: 3 frameworks
38 orgs: 2 frameworks
Service support

- Configuration Management
  - Early stage
  - Half way
  - Advanced
  - Completed

- Release Management
  - Early stage
  - Half way
  - Advanced
  - Completed

- Change Management
  - Early stage
  - Half way
  - Advanced
  - Completed

- Problem Management
  - Early stage
  - Half way
  - Advanced
  - Completed

- Incident Management
  - Early stage
  - Half way
  - Advanced
  - Completed

- Service Desk 2006
  - Early stage
  - Half way
  - Advanced
  - Completed

- Service Desk 2005
  - Early stage
  - Half way
  - Advanced
  - Completed
Service delivery

- IT Service Continuity Management
- Availability Management
- Capacity Management
- IT Financial Management
- Service Level Management

Legend:
- Early stage
- Half way
- Advanced
- Completed
Satisfaction with ITIL
Motivation to adopt ITIL

- Internal Compliance
- External Compliance
- Improve IT Service Focus
- To Reduce Costs
- Do not know
- Other

Year Comparison:
- 2005
- 2006
Critical Success Factors

- Commitment from senior management
- Champion to advocate and promote ITIL
- Ability of IT staff to adapt to change
- Quality of IT staff allocated to ITIL
- ITIL training for IT staff
## Benefits

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
</tr>
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<tbody>
<tr>
<td>Clear identification of roles and responsibilities</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Coordinated organisation-wide IT service</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Improved customer satisfaction</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Improved IT service continuity</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Improved systems/apps availability</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Improved response &amp; resolution</td>
<td></td>
<td>2</td>
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</tbody>
</table>
Case Studies
"You want me to do my job and this stuff?"

"Your job is this stuff [to record, monitor and continually improve]."

"To really align ourselves with an industry reference framework"

"We had these groups doing something. There was no formal process."

"[Prior to ITIL] there was the odd policy document here and there."

"Standardisation makes us more efficient ... a standard process for service."

<table>
<thead>
<tr>
<th>Factor</th>
<th>Case A</th>
<th>Case B</th>
<th>Case C</th>
<th>Case D</th>
<th>Case E</th>
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</thead>
<tbody>
<tr>
<td>Organisation type</td>
<td>Commercial IT services provider</td>
<td>University</td>
<td>Government department</td>
<td>Government department</td>
<td>University</td>
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<tr>
<td># of Screens</td>
<td>600+</td>
<td>~5,000</td>
<td>12,500</td>
<td>35,000</td>
<td>11,000</td>
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<tr>
<td>ITIL start date</td>
<td>Mid 2002</td>
<td>Early 2003</td>
<td>2001</td>
<td>Mid 2001</td>
<td>2003</td>
</tr>
<tr>
<td>Initial process</td>
<td>Incident mgmt, Problem mgmt, Change mgmt</td>
<td>Change mgmt</td>
<td>Financial mgmt, Service level mgmt, Change mgmt, Config mgmt</td>
<td>Change mgmt</td>
<td>Incident mgmt</td>
</tr>
<tr>
<td>implemented</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Subsequent ITSM</td>
<td>Service level mgmt, Config mgmt, Availability mgmt</td>
<td>Service desk</td>
<td>Incident mgmt, Problem mgmt</td>
<td>Release mgmt, Incident mgmt, Problem mgmt</td>
<td>Problem mgmt, Change mgmt</td>
</tr>
<tr>
<td>processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business case</td>
<td>Unsure</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Role of consultants</td>
<td>Training</td>
<td>Initial advice</td>
<td>Training</td>
<td>Training</td>
<td>Training</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Draft handbook</td>
<td>Initial review, Manuals</td>
<td></td>
<td></td>
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<tr>
<td>Initial IT structure</td>
<td>Centralised</td>
<td>Multiple helpdesks</td>
<td>Decentralised</td>
<td>Decentralised</td>
<td>Federated</td>
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<td>Restructure</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Major</td>
<td>Minor</td>
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</tbody>
</table>

**Slide 15**

**Host of ACIS2007**

**University Of Southern Queensland Toowoomba**

www.acis2007.usq.edu.au
**Key Aspects of the Organisations**

"Overall less aggregation and confrontation in the environment as to 'why wasn't I informed'.

"I believe ITIL will avert this push to decentralise. If we can give a consistent and measurable level of service."

"My boss said 2 years ago 'ITIL is a fad – we wont hear about it in 2 years time'."

"We've got to really start looking at ITIL –we haven't made much progress on it."

"'We were process-driven but we all have our own processes!'"

"We had a lot of outage that went on for days …..provided trigger for ITIL introduction."

"In 3 years we reduced our downtime from over 12,000 minutes per month to 2,000 minutes"

"This is a huge undertaking and we know that it was never going to happen business as usual."

"We just can't do it anymore, we've got to keep the lights on as well!!" (ITIL project participants)

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### Table: Comparison of Organisations

<table>
<thead>
<tr>
<th>Factor</th>
<th>Case F</th>
<th>Case G</th>
<th>Case H</th>
<th>Case I</th>
<th>Case J</th>
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</thead>
<tbody>
<tr>
<td><strong>Organisation type</strong></td>
<td>International Finance Co</td>
<td>International Finance Co</td>
<td>University</td>
<td>University</td>
<td>Government department</td>
</tr>
<tr>
<td><strong># of Screens</strong></td>
<td>70,000</td>
<td>3,000</td>
<td>4,000</td>
<td>12,000</td>
<td>25,000</td>
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<tr>
<td><strong>ITIL start date</strong></td>
<td>2003</td>
<td>1999</td>
<td>2003</td>
<td>Early 2005</td>
<td>Early 2005</td>
</tr>
<tr>
<td><strong>Initial process implemented</strong></td>
<td>Incident mgmt</td>
<td>Change mgmt</td>
<td>Incident mgmt</td>
<td>Incident mgmt</td>
<td>Incident mgmt</td>
</tr>
<tr>
<td><strong>Subsequent ITSM processes</strong></td>
<td>Service level mgmt</td>
<td>Incident mgmt</td>
<td>Service Desk</td>
<td>Service Desk</td>
<td>Service level mgmt</td>
</tr>
<tr>
<td></td>
<td>Service level reprotg</td>
<td>Change mgmt</td>
<td>Problem mgmt</td>
<td>Security mgmt</td>
<td>Customer engagement</td>
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<tr>
<td></td>
<td>BS15000</td>
<td>Service level mgmt</td>
<td>Service Desk</td>
<td>Financial mgmt</td>
<td>Asset administration</td>
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<tr>
<td></td>
<td>ISO/IEC 20000</td>
<td>Client relationship mgmt</td>
<td>Problem mgmt</td>
<td></td>
<td></td>
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<tr>
<td><strong>Business case</strong></td>
<td>Part of larger project</td>
<td>Yes</td>
<td>Yes</td>
<td>From review</td>
<td>Yes</td>
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<tr>
<td><strong>Role of consultants</strong></td>
<td>Process managers</td>
<td>Develop processes</td>
<td>Develop processes</td>
<td>Training</td>
<td>Process design methodology</td>
</tr>
<tr>
<td></td>
<td>2/3 of team</td>
<td>Provide ITSM toolset</td>
<td>Training</td>
<td></td>
<td>Provide ITSM toolset</td>
</tr>
<tr>
<td></td>
<td>Training</td>
<td></td>
<td></td>
<td></td>
<td>Training</td>
</tr>
<tr>
<td><strong>Initial IT structure</strong></td>
<td>Centralised</td>
<td>Decentralised</td>
<td>Centralised in 2000</td>
<td>Centralised</td>
<td>Decentralised</td>
</tr>
<tr>
<td><strong>Restructure</strong></td>
<td>In corporate restructure</td>
<td>ITIL facilitated outsourcing</td>
<td>From location to functional</td>
<td>Nill</td>
<td>Centralised ITSM</td>
</tr>
</tbody>
</table>
Key findings to date

What is the impact of ITIL adoption?

- Organisations are convinced of the positive impact of ITIL. Examples:
  - More rigorous control of testing and system changes
  - More predictable infrastructure
  - Improved consultation with IT groups within organisation
  - Smoother negotiation of SLAs
  - Documented and consistent IT service management processes across the organisation
  - Effective CAB
- “Quick wins” strategy adopted by organisations is consistent with findings from Hochstein et al.’s study of six German firms (2005)
Key findings

Do organisations follow a consistent pattern when implementing ITIL processes?

- Substantial variation exists among the organisations in the ITIL implementations
- Change management consistently treated as a high priority
- Incident, problem and config management also early choices
- Sequence of adoption of IT processes are dictated by specific business strategy and benefits sought
- In some cases, previous attempts had been abandoned due to lack of senior management commitment and resources
Key findings

What are the challenges to successful ITIL adoption?

- Progress at some organisations are hampered by:
  - Lack of management support
  - Resistance from technical staff
  - Delays in establishing an appropriate tool set
- Some organisations have difficulty quantifying the benefits, which is consistent with Praeg and Schnabel’s findings (2006)
4-level ITSM framework – Strategic level

- Support from senior management is crucial to
  - Obtain funding for resources
  - Endorse policy and enforce compliance to the standard processes
- A business case was presented in seven cases
- Tendency by some organisations to view ITIL as “business as usual” rather than a project
Business process level

- SLAs and ITIL workshops provided opportunities for business people to recognise importance of IT fulfilling the business needs of the client.
- General recognition that BPR must be undertaken in conjunction with ITIL implementation.
- ITIL provided a convenient starting point for IT service managers to set and monitor achievable service quality standards.
- Findings show that ITIL is providing the means to compensate for the gaps between users’ expectations and their perceptions of the service provided by the IS dept (Pitt et al. 1998).
IT service level

- New terminology, policies, procedures, and employee performance evaluations were modified to reflect ITIL adoption.
- Process owners were appointed to champion development and implementation of new processes.
- Various teams within IT must integrate their services in order to achieve end-to-end service.
- Informal meetings via itSMF and “vendor-free” itSMUG provided important networking opportunities for IT service managers.
Tool level

- In all organisations
  - ITIL Foundations course provided a consistent and detailed introduction to the core processes
  - ITIL manuals were considered an essential and useful resource
- Most organisations found it a challenge to optimise their software tools
- Delays were experienced in the spec, purchase and implementation of the software packages for logging incidents at the service desk and CMDB
- Best approach was to continue with a hybrid mix of current tools
Conclusion

Summary of findings:

- ITIL can lead to positive impacts for organisations when effectively implemented
- There is no single sequence to implementing IT processes
- Most effective implementation strategy is to look for “quick wins” during the initial stage
- Major challenges faced by organisations relate mostly to:
  - Support from senior management
  - Engagement of stakeholders
  - Managing organisational resistance
- BPR is needed for ITIL implementation to be effective
In progress and future research activities

- Norway – itSMF survey conducted
- Canada – itSMF interested in replicating survey
- Denmark, Thailand, Hawaii, Germany, Switzerland
- ARC LP application – benefits realisation project
- Top tier journal publications
- ITSM in Information Systems Curriculum
- ITSMF 2007 – have you completed a survey?

- Special thanks to Bob Arthars, Peter Cross, and all the itSMF family.
References

