

**Business Case**

IT Service Management
Process Framework & Tool Suite Implementation

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# Summary

# Background

## Background / Current State

Information Technology groups at UBC are organized in a decentralized model and have evolved unit-specific processes and tools for managing IT service delivery. The result is inconsistent customer service to the campus’ user base due to different customer care and response standards, longer incident resolution times due to disconnected technology systems and resolution processes and increased technology and human resource costs. Currently, these costs are not uniformly measured because of the disparate processes and systems.

It is estimated that there are 500 IT professionals on campus delivering and supporting IT services. The program initially includes 350 of those professionals in six IT groups: UBC IT, MedIT, Sauder LTS, Appliced Science, CTLT and Arts ISIT. It is envisioned that the program will roll out to the entire IT Service Provider base as well as non-IT service providers.

## Business Drivers

The vision of the ITSM program is to have an established IT Service Management framework across UBC that emphasizes quality of service delivery and focuses on the relationship with the customer. See Appendix A for the ITSM Overview. The Business Drivers for that vision are:

* Improved customer-facing IT service support and delivery to the UBC user community
* Established metrics on the effectiveness of the delivered service processes
* Integrated workflow across IT and non-IT Service Providers
* Integrated business continuity
* Traceability of incidents and problems from initiation to resolution
* Reduced duplication and minimized redundant costs and effort across multiple IT departments
* Efficient and effective sharing of resources (people & financial) across multiple IT departments

## Technology Drivers

* Integrated workflow across IT Service Providers;
* Seamless integration and information exchange with other UBC systems across campus;
* Visible, integrated, reportable data;
* Automated and accessible (self-service function, information sharing and broadcasting) service delivery & support

Technology needed to overcome current ITSM toolset challenges / issues include:

* 1. Identity and Access Management (IAM)
	2. Documented Enterprise Strategy and/or Architecture
	3. Enterprise Data Model – true source of data

# Expected Measurable Benefits

Implementing a common framework to manage and support services across campus and implementing a robust and user-friendly enterprise ITSM tool suite to support those processes has measurable benefits:

1. Framework Adoption and Compliance
* # increase in number of tickets created (for an initial roll-out period)
* # decrease in number of issues by-passing service desk
	+ # decrease of tickets logged at tier 2/3
	+ # increase of tickets logged at tier (SD)

Supports the following business and technology drivers:

* Improved customer-facing IT service support and delivery to the UBC user community
* Established metrics on the effectiveness of the delivered service processes
* Reduced duplication and minimized redundant costs and effort across multiple IT departments
1. tool suite adoption and compliance
* # increase in number of tickets created (for an initial roll-out period)
* # decrease in number of issues by-passing service desk
	+ # decrease of tickets logged at tier 2/3
	+ # increase of tickets logged at tier (SD)
* # increased with a completed ticket (priority, category, assignment)
* % greater increase in service consistency, customer satisfaction, inter-group communication and process efficiencies as per below

Supports the following business and technology drivers:

* Improved customer-facing IT service support and delivery to the UBC user community
* Established metrics on the effectiveness of the delivered service processes
* Integrated workflow across IT and non-IT Service Providers
* Integrated business continuity
* Traceability of incidents and problems from initiation to resolution
* Reduced duplication and minimized redundant costs and effort across multiple IT departments
* Efficient and effective sharing of resources (people & financial) across multiple IT departments
* Seamless integration and information exchange with other UBC systems across campus;
* Visible, integrated, reportable data (with tool suite)
* Automated and accessible (self-service function, information sharing and broadcasting) service delivery & support
1. Service Consistency
* % increase in framework and tool suite adoption and compliance (as per above)
* # increase for staff trained on relevant components of ITIL (common nomenclature)
* # increase for IT groups on campus with completed Service Catalogue (same framework)
* % decrease in number of incidents miss or re-prioritized
* % decrease in number of incidents miss or re -categorized
* % decrease in number of incidents miss or re-assigned
* % increase with compliance of standard priority matrix and SLAs for expected time respond & resolve

Supports the following business and technology drivers:

* Improved customer-facing IT service support and delivery to the UBC user community
* Established metrics on the effectiveness of the delivered service processes
* Integrated workflow across IT and non-IT Service Providers (with tool suite)
* Integrated business continuity (with tool suite)
* Traceability of incidents and problems from initiation to resolution
* Reduced duplication and minimized redundant costs and effort across multiple IT departments (with tool suite)
* Efficient and effective sharing of resources (people & financial) across multiple IT departments (with tool suite)
* Seamless integration and information exchange with other UBC systems across campus (with tool suite)
* Visible, integrated, reportable data (with tool suite)
1. Positive Customer Experience
* Improved scores on Customer satisfaction survey
* # increase in number of tickets created (for an initial roll-out period may show increasing confidence)
* # decrease in tier one single points of contact for each group
* % increase in number of Services with identified Service owners/managers
* # decrease in service information requests at the Service Desk (with tool suite)
* # decrease in manual service provisioning requests at the Service Desk (with tool suite)

Supports the following business and technology drivers:

* Improved customer-facing IT service support and delivery to the UBC user community
* Integrated workflow across IT and non-IT Service Providers (with tool suite)
* Traceability of incidents and problems from initiation to resolution (with tool suite)
* Efficient and effective sharing of resources (people & financial) across multiple IT departments (with tool suite)
* Seamless integration and information exchange with other UBC systems across campus (with tool suite)
* Automated and accessible (self-service function, information sharing and broadcasting) service delivery & support (with tool suite)
1. Improved Communication & Visibility Between IT Groups
* Improved scores on Analyst satisfaction survey
* % increase with compliance of standard priority matrix and SLAs for expected time respond
* % increase with compliance of standard priority matrix and expected time to communicate internally

Supports the following business and technology drivers:

* Improved customer-facing IT service support and delivery to the UBC user community
* Established metrics on the effectiveness of the delivered service processes
* Integrated workflow across IT and non-IT Service Providers
* Integrated business continuity
* Reduced duplication and minimized redundant costs and effort across multiple IT departments
* Efficient and effective sharing of resources (people & financial) across multiple IT departments
* Seamless integration and information exchange with other UBC systems across campus (with tool suite)
* Visible, integrated, reportable data (with tool suite)
1. Improved Process Efficiency and Integration Across IT Groups
* % increase in incident response and resolution times
* % increase in first response resolution
* % increase in incident resolution by priority and category
* % increase in traceable incidents & problems from initiation to resolution across IT groups
* % decrease in service interruptions due to system or infrastructure changes
* % fewer changes ‘backed-out’ because of testing failures or resulting incidents
* # decrease in service information requests at the Service Desk
* # decrease in manual service provisioning requests at the Service Desk
* # decrease in incident and service request fulfillment escalations
* # decrease in incident management ticketing tools within and across IT groups
* # increase in use of a specific service request tool (other than the IM tool or no tool)

Supports the following business and technology drivers:

* Improved customer-facing IT service support and delivery to the UBC user community
* Established metrics on the effectiveness of the delivered service processes
* Integrated workflow across IT and non-IT Service Providers
* Integrated business continuity
* Traceability of incidents and problems from initiation to resolution
* Reduced duplication and minimized redundant costs and effort across multiple IT departments
* Efficient and effective sharing of resources (people & financial) across multiple IT departments
* Seamless integration and information exchange with other UBC systems across campus (with tool suite)
* Visible, integrated, reportable data (with tool suite)
* Automated and accessible (self-service function, information sharing and broadcasting) service delivery & support (with tool suite)
1. Improved Reporting
* # increase in service management reports, within teams and across IT groups

Supports the following business and technology drivers:

* Improved customer-facing IT service support and delivery to the UBC user community
* Established metrics on the effectiveness of the delivered service processes
* Integrated business continuity
* Traceability of incidents and problems from initiation to resolution
* Reduced duplication and minimized redundant costs and effort across multiple IT departments
* Efficient and effective sharing of resources (people & financial) across multiple IT departments
* Seamless integration and information exchange with other UBC systems across campus (with tool suite)
* Visible, integrated, reportable data (with tool suite)

## Benefits Impact Table

|  |  |
| --- | --- |
| **Benefit** | **Benefit Impact** |
|  | Current State | Common Process Framework | Common Process Framework and ITSM Tool Suite |
| 1. Framework Adoption and Compliance
 | None | Med | **High** |
| 1. Tool Suite Adoption and Compliance
 | None | **High** | **High** |
| 1. Service Support Consistency
 | None | Low | **High** |
| 1. Positive Customer Experience
 | Med | Med | **High** |
| 1. Improved Communication & Visibility Between IT Groups
 | Low | Med | **High** |
| 1. Improved Process Efficiency and Integration Across IT Group
 | Low | Med | **High** |
| 1. Improved Reporting
 | Low | Med | **High** |

# Cost / Benefit Financial Analysis

It is difficult to quantify the benefits financially as many of them are found in improved customer perceptions and process efficiencies that are currently not measured. However, it can be estimated that there would be cost savings found as service requests and knowledge bases are automated and turned out to the customers and as fewer FTEs are required with automated change management, fewer change-related incidents and higher incident and problem resolution time. Reporting would enable intelligence around processes that is currently not available which would improve the management and decision-making around support and delivery of services.

## Estimated 5 Year Benefits

Benefits are calculated based on anticipated cost avoidance or savings by YEAR 2 which will be sustained for each following year. Savings are as follows:

1. Customer Service savings is based on increased use of self-service portal and increased use of automated services. This will result in a percent reduction in overall Service Centre operating costs.
2. Process efficiency & integration savings is based on efficiencies and consistency within and across groups. This will result in a percent reduction in overall IT operating costs.
3. System integration & automation savings are based on moving towards an enterprise technology platform and interfacing specialized or other business systems to that platform. This will result in cost avoidance for many and duplicate systems and support for those systems, and automation of current manual processes. This will further result in lower FTE costs with fewer people required to execute the processes and/or spend time manually resolving incidents and problems.
4. Reporting savings is based on improved intelligence enabling better and timely decision making. This will result in a percent reduction in overall IT operating costs.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **SAVINGS** | **UBC IT** | **MedIT** | **Sauder LTS** | **CTLT** | **App Science** | **Arts ISIT** |
| Customer Service (x% lower ITSC costs) | Jennifer B | Mike C | Vivian | Marianne | Luca | Ricardo |
| Process efficiency & integration(x% lower overall IT costs) | Michael T | Christopher | Vivian | Marianne | Luca | Ricardo |
| System integration & automation(x% lower FTE costs; $ cost avoidance for duplicate systems) | Michael T | Christopher | Vivian | Marianne | Luca | Ricardo |
| Reporting(x% lower overall IT costs) | Jennifer B | Christopher | Vivian | Marianne | Luca | Ricardo |
| Annual Savings | 150,000 | 100,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| X4 for YEARS 2-4 | 600,000 | 400,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| **5 YEAR SAVINGS** | **$ 2,000,000** |

## Estimated 5 Year Total Cost of Ownership (TCO)

Two Tool Suites are being studied via an RFP process. Costs are as follows:

1. Based on required licenses for six ITSM partner groups for core ITSM processes including Service Desk, Self –Service and CMDB; numbers increase in YEAR 2 to reflect phased deployment over two years.
2. Implementation / upgrade costs include vendor and internal support required for YEARS 2-5.
3. Internal support costs include FTE support + any infrastructure costs; they are higher for YEAR 1 to include training and initial implementation.

|  |  |
| --- | --- |
|  | **Remedy** |
| **COSTS** | **YEAR 1** | **YEAR 2** | **YEAR 3** | **YEAR 4** | **YEAR 5** |  |
| License | 431,000 | 99.000 | 68,000 | 68,000 | 68,000 |  |
| Implementation/Upgrade  | 466,000 | 0 | 0 | 182,000 | 0 |  |
| Internal Support | 223,000 | 180,000 | 180,000 | 180,000 | 180,000 |  |
| Annual TCO | 1,120,000 | 279,000 | 248,000 | 430,000 | 248,000 |  |
| **5 YEAR TCO** | **$ 2,325,000** |

|  |  |
| --- | --- |
|  | **Service-now.com** |
| **COSTS** | **YEAR 1** | **YEAR 2** | **YEAR 3** | **YEAR 4** | **YEAR 5** |  |
| Subscription | 199,000 | 229,000 | 229,000 | 229,000 | 229,000 |  |
| Implementation/Upgrade  | 197,000 | 13,000 | 13,000 | 13,000 | 13,000 |  |
| Internal Support | 128,000 | 43,000 | 43,000 | 43,000 | 43,000 |  |
| Annual TCO | 524,000 | 285,000 | 285,000 | 285,000 | 285,000 |  |
| **5 YEAR TCO** | **$ 1,661,000** |

## Total 5 Year Return On Investment

|  |  |
| --- | --- |
|  | **Remedy** |
| Cost (Investment) | Benefit (Return) | Total |
| **$ 2,325,000** | **$ 2,000,000 (place-holder)** | $ (325,000) |

|  |  |
| --- | --- |
|  | **Service-now.com** |
| Cost (Investment) | Benefit (Return) | Total |
| **$ 1,661,000** | **$ 2,000,000 (place-holder)** | $ 339,000 |

# ITSM Roadmap Milestone Summary

|  |  |  |
| --- | --- | --- |
| Year-QX | Milestone | Dependencies |
| 2011 start | ITSM Tool Suite Selection |  |
| 2011 Q1 | ITSM Tool Suite - IAM integration | ITSM Tool Suite Selection, Identity Management  |
| 2011 Q1 | Incident Management (IM) Process and Tool to UBC IT – all departments |  |
| 2011 Q2 | Onboard ITSM Partner groups for IM Process and Tool  |  |
| 2011 Q2 | Initial Request Fulfillment (RF) to UBC IT departments – continues to roll out to 2012. | IAM Entitlement Engine |
| 2011 Q3/4 | Onboard ITSM Partner groups for RF – RF continues to roll out to 2012. |  |
| 2011 Q2/3 | Problem, Knowledge, Service Level Management to UBC IT and ITSM Partner Groups - continues to roll out to 2012. |  |

# APPENDIX A: ITSM Overview

## IT Service Management (ITSM)

ITSM is a customer centric IT management discipline which:

* Starts with the customer or business needs when designing IT services.
* Process focused when designing, managing and supporting the delivery of IT services.
* Not concerned with technical details of the systems under management; it focuses on structuring interactions between IT personnel and business customers and users.

## The Information Technology Infrastructure Library (ITIL)

ITIL is:

* A globally recognized set of best practices for IT Service Management (ITSM).
* Through a set of customizable principles and processes, ITIL describes effective and efficient ways to implement ITSM solutions over the service lifecycle.
* Establishes a common language across functions and org levels
* Version 1 (functions), then V2 (processes), now V3 (service lifecycle)

Organizations have moved to adopt ITIL in an effort to improve service, control costs, and provide the audit trails required by regulatory environments.

## ITSM Core principles

ITIL principles to ensure consistency, repeatability, standards and enable scalability of IT processes include:

* 1. Value to the Customer
		1. Strategize and design service to provide value in a customer centric way that meets customer priorities and goals.
	2. Cross-Functional Integration
		1. Service integration across campus: across customer organizations and across IT groups.
		2. Process and workflow integration across the service management lifecycle (Strategy-->Design-->Transition--> Operations)
	3. Graduated Continuous Improvement
		1. Identify qualitative and quantitative measures to apply incremental improvements that continually align and re-align the IT service(s) to changing customer needs.

## IT Service Management Includes

ITSM includes The Service includes the following select ITIL practice areas (does not include all ITIL process areas):

Service Catalogue (SC)

Service Catalogue provides a widely available, single source of consistent information on all agreed services. Service details, status, interfaces and dependencies should be identified.

Service Level Management (SLM)

SLM ensures all current and future IT services are delivered to agreed achievable targets and takes proactive measures in improving the level of services delivered.

Change Management (ChM)

To reduce business risk, CM ensures there are standardized methods and procedures used for efficient and prompt handling of all changes to baselined service assets and configuration items across the whole Service Lifecyle.

Configuration Management (CfM)

Configuration Management ensures that selected components of a complete service, system or product (the configuration) are identified, baselined and maintained and that changes to them are controlled.

Knowledge Management (KM)

KM enables organizations to improve the quality of management decision making by ensuring that reliable and secure information and data are available throughout the service lifecycle.

Incident Management (IM)

The primary goal of IM is to restore normal service operation as quickly as possible and to minimize the adverse impact on business operations, ensuring that the best possible levels of service quality and availability are maintained.

Problem Management (PM)

PM includes activities to diagnose the root cause of incidents and to determine the resolution to those problems. The objectives of PM are to prevent problems and resulting incidents from happening, to eliminate recurring incidents, and to maintain information about problems and the appropriate workarounds.

Request Fulfillment (RF)

RF is the process for dealing with service requests from users and can usually be broken down into a set of activities that have to be performed. These requests are standard, repeated requests that required no change management so should be as automated as possible.