

# Why bother with a Service Catalogue?

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**There is a lot of talk of service catalogues, portfolio management and the need to develop true business-led IT Services. So, what's this about and what value can be achieved?**

This is a short paper which aims to explain Service Catalogue – what is it, what does it deliver and what's involved in doing it..?

It's all the rage right now – 'Service Catalogue'. Every web forum and ITSM thought leader and vendor is leading on this topic and chasing the Service Catalogue 'Holy Grail'. Perhaps we should engage Indiana Jones to search it out and demystify this phenomenon once and for all...?



So, why all the fuss? Isn't Service Catalogue a feature of ITIL and Service Level Management that has been around for some time? As such why is there this renewed interest?

These questions can be simply answered by 3 points:

- (1) We are in a new phase in the evolution, understanding and development of IT Service Management and ITIL. Now the critical value and potential of 'Service Catalogue' is better understood, along with practical and tangible advice on how to make it work.
- (2) More importantly there is an ever-growing business imperative driving IT organizations to deliver differentiated services and demonstrate their value – and Service Catalogue is a central key to the realisation of this.
- (3) Tool vendors have also wakened up to the interest and requirement in this area and are now offering some useful integrated solutions.

So we have a business need to define and manage IT in a service-focussed way – an IT version of Supply Chain Management. At the same time there is an improved awareness of the steps required to be able to deliver this.

In essence most IT organisations manage systems, not services. Or if they are they usually can't demonstrate that they are doing so, particularly in business language. The central focus of ITSM is to help develop and manage, monitor and deliver **Services** rather than systems. SLAs are often embarked on without any definition of the Services they relate to. A Service Catalogue is seen as a means to define and build the structure of services that all IT organisations need to deliver and to demonstrate value. This is a part of the wider view (portfolio management) of the lifecycle of a service and how it is planned, defined, delivered and retired.

### What is a Service Catalogue?

In simple terms a Service Catalogue is a list of services – perhaps like a brochure. Many IT organisations operate with just a request catalogue that is used to simply order and procure services. However in ITSM terms a Service Catalogue also provides the real link between business and IT – as it defines Services that are composed of systems and IT components, thereby allowing IT to focus and report on performance against these services.

### What does it deliver?

A Service Catalogue will help an IT organisation to:

- Build a clear picture of the business services required
- Get organised to deliver these services
- Report and manage performance, quality and efficiency of services
- Deliver and manage services using variable sourcing and commercial models
- Focus and motivate IT staff to achieve real business success for customers
- Remove unnecessary systems and costs
- Gain credence and security, improve customer relationships

### What's involved?

Setting up a multi-level Service Catalogue that will provide all of the features and benefits doesn't happen overnight – mostly due to the time needed to get agreement across an organisation. New improved ITSM toolsets can now facilitate fuller functionality and ease of use to develop and maintain these systems, although this still requires a lot of input and discussion.

Issues encountered tend to be caused by lack of knowledge or understanding of objectives, lack of negotiating skills and lack of clarity on the Service Catalogue and SLM process itself. This type of work also calls for a varied skill-set which includes marketing, business process definition, facilitation and negotiation – as well as report writing and some very complex service/CI mapping. Not all of these skills are always in abundance in IT organisations and this can lead to problems and failures in these projects.

However, significant progress can be made quickly if some key steps are followed. It's possible to define Services relatively quickly, then spend time verifying links and developing the management and reporting systems to make this work. **The key to success** is in finding and using the right people with the appropriate skills and experience to make this happen practically and effectively.

A typical Service Catalogue project would start as follows:

**A Strategic Service Review** – analysis of current services, systems, processes and resources with a view to planning out SLM and service catalogue implementation. This will set a strategic focus and ensure that the project doesn't get side-tracked and delayed with micro-technical issues.

*This can be achieved within a couple of weeks*

**Service Catalogue Workshop(s)** – an opportunity to educate and involve stakeholders in the process – even to gain a common understanding of what Service Catalogue is for consistency. This is also an opportunity to start brainstorming service definitions and get buy-in across the organisation

*These workshops can be run in one day for groups of up to 12 -15 people*

**Pilot Service** – use a single area to define and build the services and SLAs for that customer. This also helps the IT organisation to develop expertise in the negotiation and documentation process, as well as to build and test the systems for monitoring and reporting.

*A pilot can be effectively run within 4- 6 weeks*

**Full Project Implementation** – the scale and duration of this depends on a number of organisational variables, however if the initial steps are carried out this can be kept to a minimum. Projects tend to fail if the initial work is skipped...

*Generally full implementation can take anything from 6 – 18 months*

*For details of services available to support and fast-track Service Catalogue and SLM implementation, please contact [Barclay Rae](#) – see also [details](#) below.*

## 1. What is a Service Catalogue?

In Service Management terms, the Service Catalogue is a fundamental part of any ITIL implementation – more importantly it should be central to the operation and delivery of every IT service provider.

The Service Catalogue contains a list of the ‘end-to-end’ services provided by the IT organisation – not just systems and components, but the actual service received by the customer. This is essential for management and monitoring of these services – without it the IT organisation cannot guarantee or demonstrate that it has a service focus.

The Service Catalogue contains the definition of the ‘supply chain’ of linked components – taken from the CMDB/CMS – for each IT service and therefore supports the delivery of differentiated levels of service, as well as multiple SLAs. Commonly this is an internal IT document or system – ultimately it is the ‘business intelligence’ view of IT services.

**An ‘Amazon’ catalogue?** – often the ‘service catalogue’ is mistaken for a ‘shopping basket’ portal or system that is provided to give users the opportunity to order PCs, logins and simple requests. This is now referred to as a ‘user request catalogue’ and is an external-facing system, usually linked to fulfilment, change or request management processes.

**What value does a Service Catalogue deliver?** The (Business and IT) Service Catalogue – in conjunction with the CMS/CMDB – unlocks the real value of all the ITIL processes:

- Incident management resolution is faster and cheaper – it's easier to quickly diagnose incidents and also identify their relevant business priority with the combination of Service catalogue and CMDB
- Problem management is more slick and intelligent – similarly root cause analysis can be better performed when there is a logical link that can be traced from CI to Service Catalogue
- Change management can be more business and risk aware etc. Risk analysis of changes and releases is again more business focussed as we can track the relevant business services associated with CIs.
- Services can be monitored, managed and delivered at different levels – so some services may have a low-cost focus whilst others are based on business-driven implementation timescales
- Reporting can be delivered at multiple levels including ‘service’ levels, where this applies to business services, not just IT services and components. Thus the IT organisation can really start to demonstrate its contribution and value to the business
- Change and transition can be more agile and support business imperatives – i.e. time to market and time to value. It's simply easier and faster to change and implement new systems if they are better understood and defined by the IT organisation.

The service catalogue offers multi-level management and monitoring of (differentiated) services – so IT organizations can focus on delivering and demonstrating value from their services. This provides the capability to manage, deliver and monitor business services across the IT estate – often with different areas of focus, so some services will be cost driven and others driven by quality and time-to-market.

Without a service catalogue, what is an IT organization actually delivering? i.e. How does the IT organisation understand the business ‘supply chain’ that it is there to deliver without a list of these services and their component parts?

## 2. IT Service Management (ITSM) and Service Catalogue

Regardless of the current credit crunch/recession/downturn/crash etc. - one of the key questions every CIO has to answer is this:

*‘How do we demonstrate the value delivered by IT?’*

It should be a simple question to answer, given that 99.9% of the world’s business affairs are now wholly dependent on IT. However most IT organisations are poor at defining where and how they add value and justify their costs. In reality the majority of reporting that is produced from IT organisations tends to focus on internal operational activities that are of no interest or value to their business customers.

So the goal of any good IT organisation should be to deliver - and demonstrate that it is delivering – value from its services, or at least to show how its services contribute to the end goals of its customers.

In practical ITSM terms this means building a Service Catalogue to define the key IT components of a business service, then reporting actual performance of these components as a business service – (from the CMDB) and from Incident, Problem and Change performance data.

So – **Service A** will be defined in our service catalogue, comprising:

- Network X
- Hardware X, Y, Z
- Operating system A, version 2.1
- Application N, version 6.4
- Users n1 – n300

This information will be held as CIs in our CMDB, plus also data on location, customers, etc. However in the Service Catalogue it is defined as a ‘bundled’ Service, comprising the above component parts. The SLA that is set up will refer to the service rather than to the components – this is often a mistake as IT organisations will try to negotiate SLAs on the actual IT components rather than the service.

We can then track and measure the actual performance and availability of these components and the service as a whole through our Incident, Problem and Change systems.

The 'value' element of this is to provide reporting that relates to the overall delivery of Service A, and not just its components.

In order to **deliver and demonstrate value** we therefore need:

1. Efficient integrated Incident, Problem and Change Management systems
2. Integrated SLM/Service Catalogue and CMDB systems (also integrated with Incident, Problem and Change)
3. Good reporting capability – tools and skills

Most ITSM development to date has focussed on 1 – so SVM can be seen as the next and more mature stage of ITSM. It requires quality SLM and CMDB capability, plus business analysis and reporting skills to identify and deliver quality Management Information (MI).

As such it is important that our approach to ITSM implementation includes some strategic assessment of the SLM and CMDB requirements. At the very least we should be able to define the requirements and outputs for value-based reporting as well as operational inputs.

Ideally each ITSM Service Improvement Project should be aiming to help to demonstrate business value from IT Services – this should be set and measured as a clear project goal, with tangible objectives and deliverables.

### 3. How do you make Service Catalogues work?

**Key practical points to achieve the 'holy grail':**

- Get the right people involved – staff, management, customers, starting with a business 'top down' focus
- Ensure that everyone has a clear and consistent view of what a Service Catalogue is and what it will deliver – workshops are useful here
- Identify clear criteria for your service catalogue and then define your IT Services
- Build a list of services with clearly defined owners, IT components, service models, configuration Items, SLAs, customers
- Ensure that you can logically link between services and CMS/CMDB components (CIs) – this provides the intelligent link via tools to fully unlock the value of ITIL processes
- Implement management reporting based around 'service' delivery, based on the service catalogue

## External Help Available:

Barclay Rae and MSS offer a number of low-risk, and high-value consulting services to organisations embarking on Service Level Management:

### Strategic Service Review

This is a standard approach to discovery and ‘way forward’ planning - to help organisations:

- Identify where they are in terms of strategy, performance and issues
- Start to build awareness and understanding of ‘Service’ definitions
- Gain internal agreement on issues and how to solve them
- Gain experienced advice and recommendations on how to move forward
- Start to plan out the next steps

This usually takes from 5 - 15 days, depending on the size of the organisation and the issues and areas requiring review, however in 5 days it is usually always possible to come up with a good set of issues and potential solutions.

This involves:

- Interviewing of staff, management and customers
- Review of documentation and general operations
- Preparation of report and presentation, containing:
  - Management Summary
  - SWOT and GAP analysis for SLM
  - Options and recommendations for action
  - High level planning

### Service Strategy Workshop

This is a great practical catalyst for organisations considering or starting out in Service Level Management and Portfolio Management. In one day we can move the individuals and organisation from a standing start to a point where:

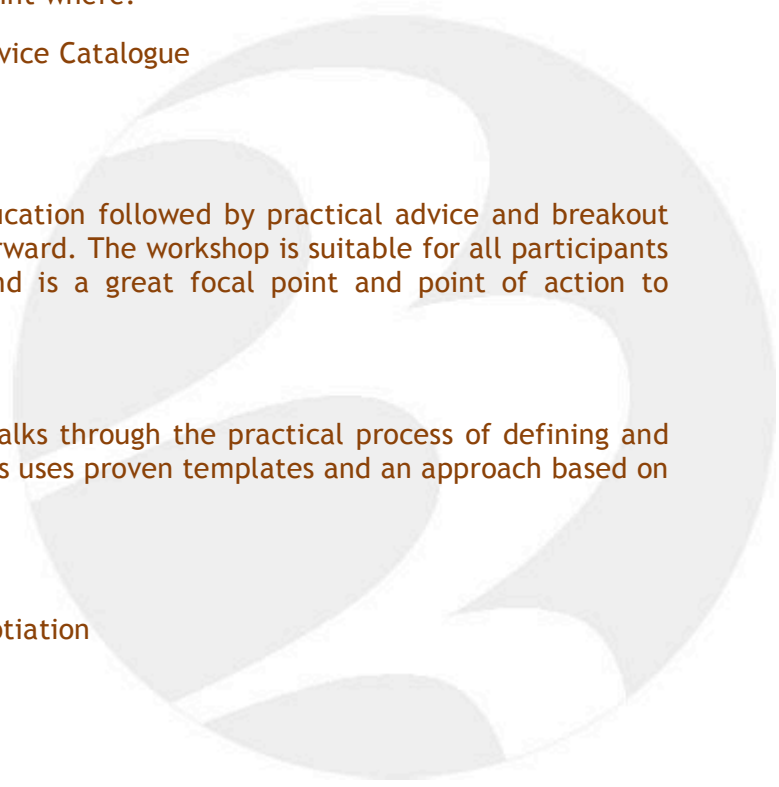
- Everyone understands about SLAs and Service Catalogue
- Initial Services have been defined
- Issues and barriers have been identified
- There is a plan for action

The workshop involves some general education followed by practical advice and breakout sessions to work through how to move forward. The workshop is suitable for all participants in this process - IT and customers - and is a great focal point and point of action to galvanise a project.

### Service Design and Facilitation

This is a very hands-on service, which walks through the practical process of defining and building SLAs, service definitions etc. This uses proven templates and an approach based on over 100 SLM projects, including:

- Service Definition
- Customer engagement and negotiation
- IT/Service Provider engagement and negotiation
- Documentation
- System and reporting requirements
- Pilot and review





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