

The background of the entire page is a photograph of two people wearing VR headsets. A man in a white t-shirt is in the foreground, reaching out with his right hand towards a glowing digital interface. A child is partially visible behind him, also wearing a VR headset. The scene is set against a backdrop of a network of glowing blue and white lines, suggesting a digital or virtual environment. The bottom half of the image is overlaid with a geometric pattern of purple and blue cubes.

# BUILDING IT AND DIGITAL EXCELLENCE WITH ITIL 4



## INTRODUCTION

We are living through a time of unprecedented change. According to the World Economic Forum, we are currently in the middle of the Fourth Industrial Revolution. This age is characterized by an unavoidable collision of human beings, digital technologies, and physical assets. Technology underpins our personal and professional lives, and digital transformation is changing everything we do.

In this increasingly fast-paced and complex business environment, the organization must be agile, adaptable, and prepared to adopt new ways of working in order to succeed. 84% of CEOs expect their digital initiatives to significantly increase the organization's profit margin<sup>1</sup>, and 61% of IT decision makers see digital transformation as a way to build competitive advantage<sup>2</sup>.

ITIL addresses the business challenges and opportunities that affect the modern organization, assisting it to deliver and support IT services, and driving digital transformation to help it deliver its vision and goals.

## THE CHALLENGES FACING THE MODERN ORGANIZATION

The modern organization faces many challenges. Many are the same challenges that businesses have faced over the years, which are to stay solvent, maintain a market, and marshal a workforce. On top of this are newer challenges, brought about by globalization and digital disruption, which have opened up new markets while increasing competition. Additionally, there are internal challenges which relate to the optimal delivery of products and service; the mantra, 'better, faster, and cheaper,' is familiar to every organization, every business function, and every business operation.

'Better' no longer relates solely to the quality of products and services. The quality of the customer experience (CX) and employee experience has become an important metric against which the organization is judged. There is a challenge in improving speed-to-market through increased velocity without negatively impacting the stability and resilience of the service. Though there are savings to be made in delivering services or products efficiently and effectively, the customer is increasingly sensitive to the cost and value of a product or service in a global market.



## THE CHALLENGES FACING THE MODERN IT ORGANIZATION

The IT department has always been responsible for ensuring that IT services are fit-for-purpose and available when needed. In the current business environment, however, the IT organization must align IT operations to the corporate vision and mission, balancing outcomes, costs, and risks to co-creating value for all stakeholders. As such, IT is central to the organization's success.

The IT organization is under pressure to respond to a number of operational challenges and opportunities that relate to 'better, faster, cheaper', such as:

- rising stakeholder expectation of service delivery and support
- increased business and IT complexity and change
- higher numbers of support issues and requests
- budget limitations
- staff recruitment and retention issues
- adoption of new technologies, including artificial intelligence (AI)
- the need to demonstrate value delivery and better business outcomes.

Many of these challenges affect other areas of the organization, such as human resources (HR) and facilities. Back-office digital transformation, (the application of service management principles and best practice to operations outside IT) is proving useful in the improvement of business services.

## TRANSFORMING IT

The external and internal challenges facing the organization require a change in how fit-for-purpose IT services can transform the organization's digitally-enabled capabilities, incorporating improvement across the four dimensions of service management: organizations and people; information and technology; partners and suppliers; and value streams and processes.

There are a variety of interoperable approaches to service management. The most popular is ITIL, which is used by 90% of Fortune 500 companies. ITIL has gained traction in IT functions beyond ITSM, such as in development and digital product design.

**"84% of CEOs expect their digital initiatives to significantly increase the organization's profit margin"**

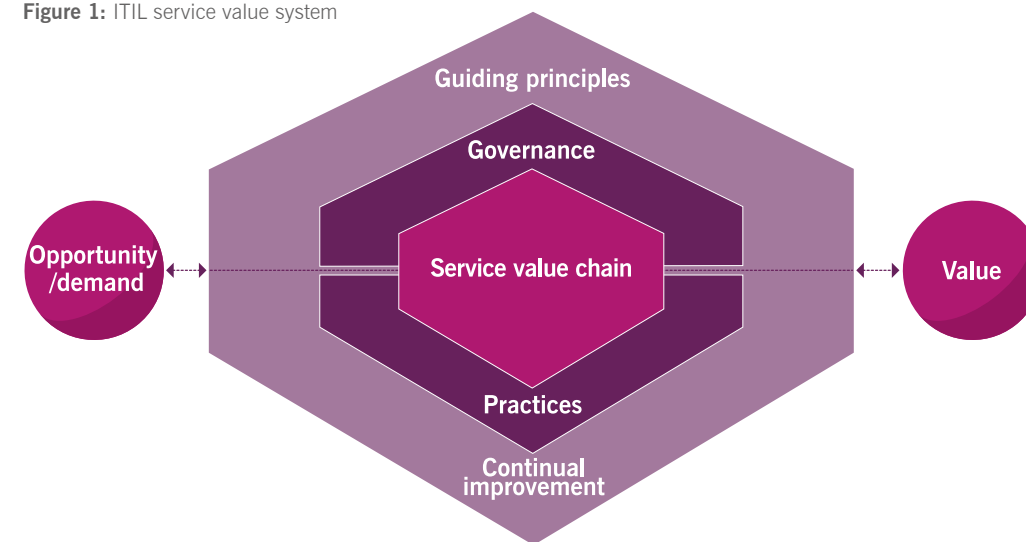
# ITIL 4 EXPLAINED

ITIL 4 is a best practice framework for service management. It provides a structure through which the organization can deliver and maintain IT and digital services to provide optimal value for all stakeholders, including the customer. The ITIL framework allows the service provider to align their services with the organization's vision, mission, strategy, and objectives. ITIL is supported by the ITIL certification scheme, which validates the knowledge and understanding of ITIL professionals.

ITIL 4 introduces the service value system, which is formed of:

- ITIL service value chain
- ITIL guiding principles
- governance
- continual improvement
- 34 management practices.

Figure 1: ITIL service value system



For more information about ITIL 4, visit: [www.axelos.com/itil-4-concepts](http://www.axelos.com/itil-4-concepts)



# HOW ITIL 4 HELPS TO DELIVER IT SERVICES AND DIGITAL TRANSFORMATION

ITIL 4, the latest update to ITIL, provides an end-to-end IT/digital operating model for the delivery and operation of tech-enabled products and services that have to compete in a world of technological-dependence and digital disruption.

The update makes it easier for non-IT services to adopt the framework. 73% of organizations are already using, or are planning to use service management principles to better enable their line of business operations outside of IT.<sup>3</sup>

ITIL 4 assists the organizations in many ways, for example:

- responding to the business requirement for better, faster, and cheaper
- optimizing IT service delivery, support and outcomes
- facilitating improvement and digital transformation beyond IT.

## 1. Better, faster, cheaper

In the pursuit of better, faster and cheaper services and products, the benefits of ITIL include:

- **standardization of the IT operating model by adopting proven best practice.** Not only for IT operations, but across the entire IT function, including development.
- **greater agility and capacity for innovation.** The organization becomes more competitive when it is able to execute IT and business change efficiently and effectively.
- **meeting increased customer and employee requirements.** This applies to ITSM end users, and encourages IT to continually consider the customer's needs.
- **delivering in high velocity environments.** ITIL can deliver resilient, high cadence digital services.
- **increased control and governance.** The ITIL framework provides a structure for the optimal management and accountability of teams, their work, and outputs.
- **demonstrating IT's value.** ITIL 4 aligns IT to the business goals of the organization.
- **opportunity for improvement.** Continual improvement allows the incremental improvement of services, and creates a culture of improvement.





## 2. Optimizing IT service delivery, support and outcomes

ITIL offers the following benefits for the optimization of IT service delivery, support and outcomes:

- ITIL training creates a better workforce.**  
 ITIL helps the workforce focus on the best ways to deliver IT services and support, to co-create value, and to provide a better service experience.
- providing a common language.**  
 A common language allows teams to communicate and collaborate effectively, helping them work toward shared outcomes with minimal misunderstanding.
- a focus on value.**  
 The ITIL 4 definition of a service is: “A means of enabling value co-creation by facilitating outcomes that customers want to achieve...”
- increased speed and efficiency.**  
 The adoption of management practices, continual improvement, and service management tool capabilities such as automation and knowledge management, services that can be delivered at a greater velocity.
- reduced costs.**  
 Costs can be reduced through greater speed and efficiency, and by embracing standardization and automation through ITIL aligned service management tools.
- integrating IT management practices such as Agile, DevOps, and Lean.** ITIL 4 has been updated to work seamlessly with emerging technologies such as AI and intelligent automation, cloud, and advanced analytics.
- elevating IT performance by utilizing service management tools.**  
 Many service management tools are built around ITIL best practice.
- IT and digital transformation opportunities.**  
 ITIL helps the IT function deliver and support services. It allows Dev and Ops to work together.



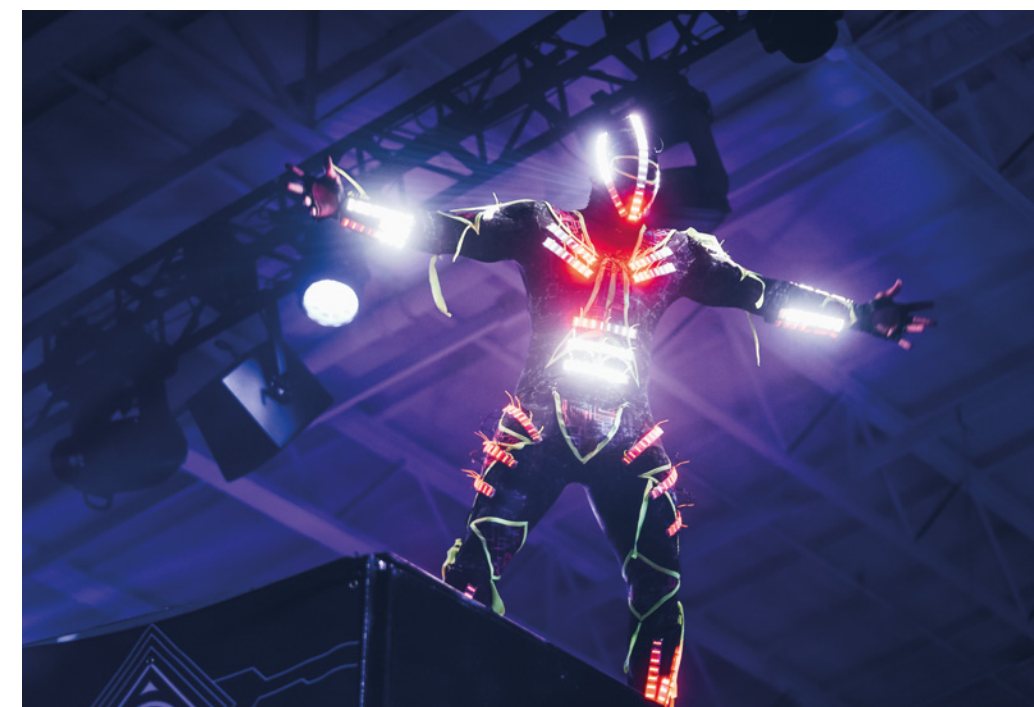
## 3. Facilitating improvement and digital transformation beyond IT

The benefits of ITIL can be applied to teams beyond ITSM, including software development. ITIL can improve the way services are provided and supported by individual IT teams, and IT management best practices are useful in other areas of the business. For example, the ITIL 4 software development and management practice encompasses:

- solution architecture**
- solution design** (user interface, CX, service design, and so on)
- software development**
- software testing** (which can include several components, such as unit testing, integration testing, regression testing, information security testing, and user acceptance testing)
- management of code** repositories or libraries
- package creation**, for the effective and efficient deployment of the application
- version control**, and the management of smaller blocks of code.

“ITIL 4 has been updated to work seamlessly with emerging technologies such as AI and intelligent automation, cloud, and advanced analytics”

ITIL helps to deliver and support IT services, to digitally transform services to adapt to an ever-changing business environment, and ultimately to deliver better business outcomes to the organization.



### NEXT STEPS

ITIL addresses many of the challenges that keep IT and business leaders up at night. With a greater focus on value creation and an integrated approach incorporating service design and IT operations, ITIL 4 offers a great opportunity for the organization to align their services with their business goals to deliver value to all stakeholders.

To find out more visit [www.axelos.com/itil-4-tackle-disruption](http://www.axelos.com/itil-4-tackle-disruption) to leave your details.

1. 2018 Gartner CEO and Senior Business Executive Survey 2. Business Transformation, Raconteur, April 2019 3. The State of Enterprise Service Management, HDI, 2018

AXELOS.COM



@AXELOS\_GBP



AXELOS GLOBAL BEST PRACTICE



AXELOS