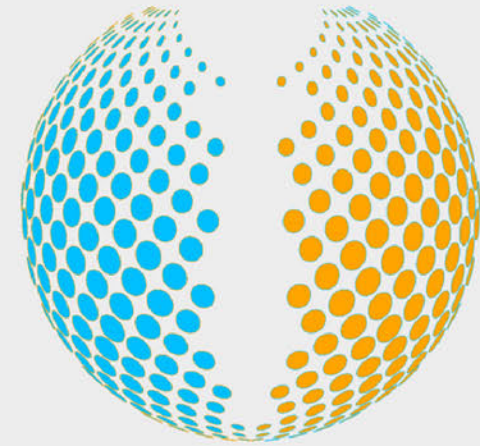


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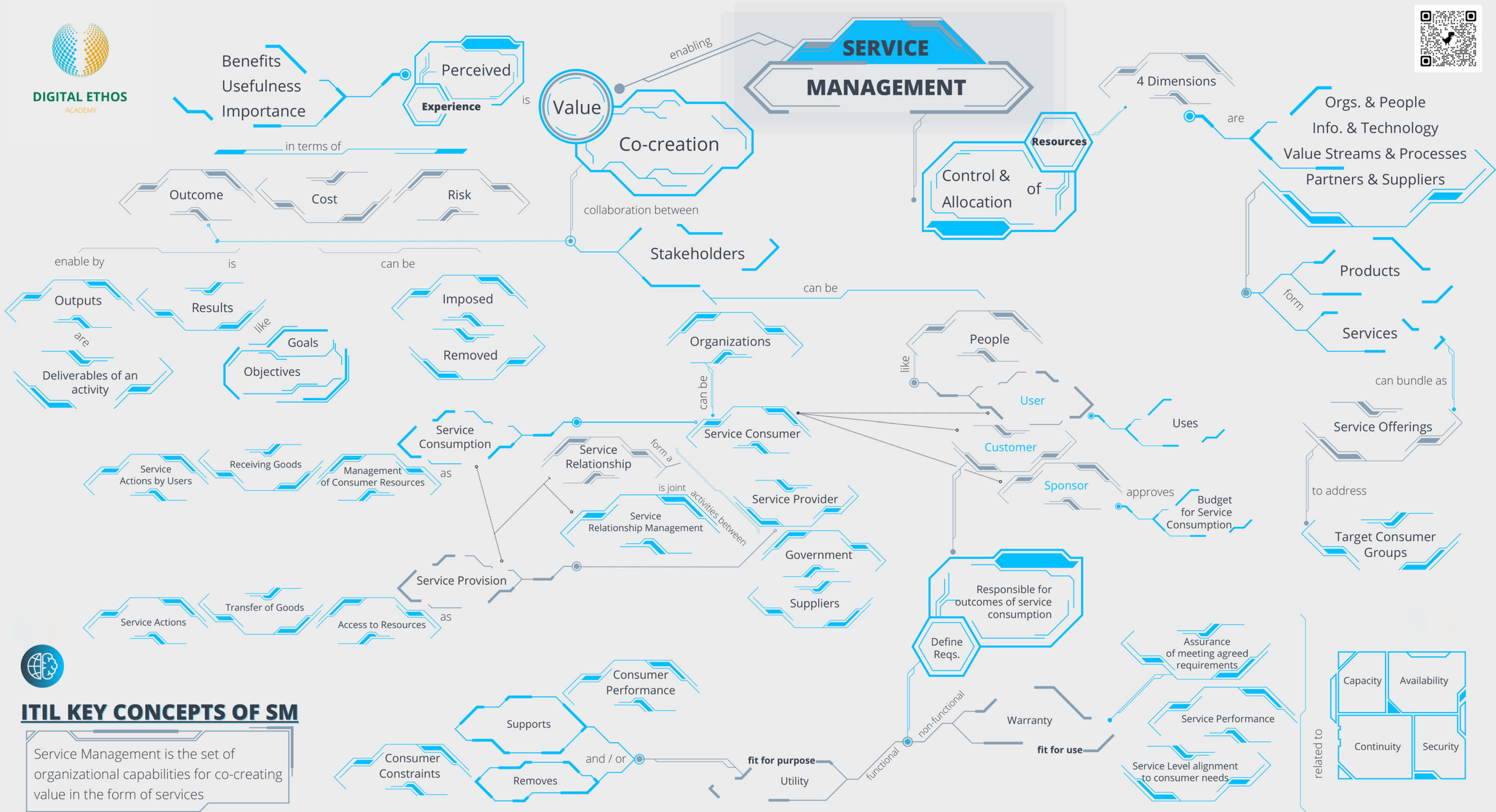
**Key Concepts of Service Management**



**DIGITAL ETHOS**

ACADEMY





### ITIL KEY CONCEPTS OF SM

Service Management is the set of organizational capabilities for co-creating value in the form of services

Capacity	Availability
Continuity	Security



- **Cost:** the amount of money **spent** on a specific activity or resource
- **Customer:** the **role** that **defines** requirements for a service and **takes responsibility** for the outcomes of service consumption
- **Digital Transformation:** the **evolution of** traditional **business models** to meet the needs of **highly empowered** customers, with **technology** playing an **enabling** role
- **Four Dimensions of Service Management:** the **four perspectives** that are **critical** to the effective **facilitation of value** for customers and other stakeholders in the form of products and services
- **Goods:** Tangible **resources** that are **transferred** or available for transfer from a service provider to a service consumer, together with ownership and associated rights and responsibilities
- **Information and Technology:** **one of** the *Four Dimensions of Service Management*. It includes the **Information** and **Knowledge** used **to deliver** services, and the **information** and **Technologies** used **to manage** all aspects of the service value system
- **Organization:** a **person** or **group of people** that has its **own functions** with responsibilities, authorities and relationships **to achieve** its **objectives**
- **Organizations and people:** **one of** the *Four Dimensions of Service Management*. It **ensures** that the way an organization is structured and managed, as well as its roles, responsibilities, and systems of authority and communication, is well defined and **supports** the overall **strategy** and **operating model**
- **Outcome:** a **result** for a stakeholder **enabled by** one or more **outputs**
- **Output:** a tangible or intangible **deliverable of an activity**
- **Partners and Suppliers:** **one of** the *Four Dimensions of Service Management*. It encompasses the **relationships** an organization has with other organizations that are **involved in** the **design, development, deployment, delivery, support,** and/or **continual improvement** of **services**
- **Resource:** personnel, material, finance, or other **entity** that is **required for** the **execution of** an **activity** or the **achievement of** an **objective**. Resources used by an organization may be owned by the organization or used according to an agreement with the resource owner
- **Risk:** a **possible event** that could **cause harm** or **loss,** or **make it** more **difficult** to achieve objectives. 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**
- **Service:** a **means** of **enabling value co-creation** by **facilitating outcomes** that customers want to achieve, without the customer having to manage specific costs and risks
- **Service Action:** any **action required** to **deliver a service output** to a user. Service Actions may be **performed by** a **service provider resource,** by **service users,** or jointly
- **Service Consumption:** **activities performed** by an organization **to consume services.** It includes the **management** of the **consumers' resources** needed to use the service, **service actions** performed by users, and the **receiving** (acquiring) **of goods** (if required)
- **Service Management:** a set of specialized **organizational capabilities** for **enabling value** for customers in the form of services
- **Service Offering:** a **formal description of** one of more **services,** designed **to address** the **needs** of a target consumer group. A service offering may include **goods,** **access to resources,** and **service actions**
- **Service Provider:** a **role performed** by an organization in a service relationship **to provide services** to consumers
- **Service Provision:** **activities performed** by an organization **to provide services.** It includes **management** of the providers' resources, configured to deliver the service; **ensuring access** to these resources for users; **fulfillment** of the agreed service actions; **Service Level Management;** and **Continual Improvement.** It may also include the **Supply of Goods**
- **Service Relationship:** a **cooperation** between **Service Provider** and **Service Consumer.** Service relationships include **service provision,** **service consumption** and **service relationship management**
- **Service Relationship Management:** joint **activities** performed by a service provider and a service consumer **to ensure continual Value Co-Creation** based on agreed and available service offerings
- **Sponsor:** the **role** that **authorizes budget** for service consumption. Can also be used to describe an organization or individual that **provides** financial or other **support** for an initiative
- **Stakeholder:** a **person** or **organization** that has an **interest** or **involvement** in an organization, product, service, practice, or other **entity**
- **Supplier:** a **stakeholder responsible** for **providing services** that are used by an organization
- **User:** a **role** that **uses** services
- **Utility:** the **functionality offered** by a product or service **to meet** a particular **need.** Utility can be summarized as **"what the service does"** and can be determined whether a service is **"fit for purpose"**. To have utility, a service must either **support the performance** of the consumer or **remove constraints** from the consumer. Many services do both.
- **Utility Requirements:** **functional requirements** which have been **defined by** the **customer** and are **unique to** a specific **product**
- **Value:** the **perceived benefits, usefulness,** and **importance** of something
- **Value Streams and Processes:** **one of** the *Four Dimensions of Service Management*. It **defines activities, workflows, controls,** and **procedures** needed **to achieve** the agreed **objectives**
- **Warranty:** **assurance** that a product or service will **meet** agreed **requirements.** Warranty can be summarized as **"how the service performs"** and can be used to determine if it is **"fit for use"**. Warranty often **relates** to **service levels** aligned with the needs of service consumers. This may be based on a **formal agreement,** or it may be a **marketing message** or **brand image.** Warranty typically **addresses** such areas as the **availability of the service,** its **capacity, levels of security,** and **continuity.** A service may be said to provide acceptable assurance, or "warranty", if all defined and agreed conditions are met
- **Warranty Requirements:** typically **non-functional requirements captured as inputs** from key stakeholders or other practices





Welcome to the thrilling world of **ITIL Service Management**! Let's take a whimsical journey through the key concepts that bring services to life and ensure their delivery delights customers.

Picture a bustling city like "**Technopolis**," where various services work in harmony to create value. In this city, services provide utility and warranty to customers, while users benefit from these services daily. *Service management* ensures everything runs smoothly and efficiently.

**Techton Eats**, a popular food delivery service in **Technopolis**, demonstrates the delicate dance of creating value. By striking the right **balance between cost and value**, they provide delicious meals at affordable prices, all while **managing risk and delivering desired outcomes**.

But this is only possible through **effective service relationships**, involving **service offerings, relationship management, service provision, and consumption**. Techton Eats collaborates with restaurants and drivers, orchestrating a symphony of activities to ensure their customers enjoy a tasty mealtime experience.

In the background, the **four dimensions of service management** support the entire operation, enabling the **ITIL Service Value System** to guide **Techton Eats** through this fascinating journey.

So buckle up, dear **ITIL Adventurers**! As you navigate the bustling streets of **Technopolis**, you'll learn to master these vital concepts and apply them to your professional life. Let the **ITIL Success Simulator** be your guide as you conquer the *Foundations Exam* and make your mark on the service management landscape!



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