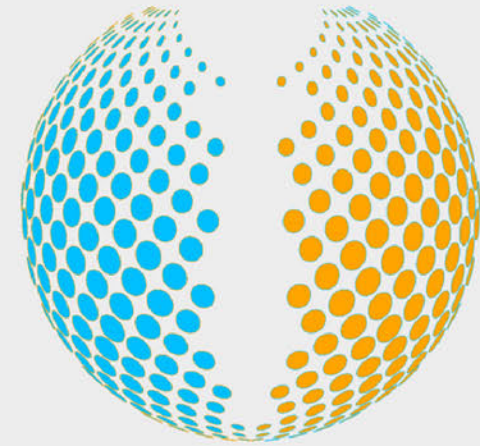


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ITIL

Key Concepts of Service Management



DIGITAL ETHOS

ACADEMY





Benefits
Usefulness
Importance

Perceived Experience is

Value

Co-creation

SERVICE MANAGEMENT

Control & Allocation of Resources

4 Dimensions are

- Orgs. & People
- Info. & Technology
- Value Streams & Processes
- Partners & Suppliers

Outcome Cost Risk

collaboration between

Stakeholders

enable by is can be

Outputs Results Goals Objectives
are like
Deliverables of an activity

Imposed Removed

Organizations

can be

People

User

Uses

Products

Services

can bundle as

Service Offerings

to address

Target Consumer Groups

Service Consumption
Service Actions by Users Receiving Goods Management of Consumer Resources

Service Relationship

Service Consumer

Customer

Sponsor

approves Budget for Service Consumption

Service Provider

Service Relationship Management is joint activities between

Government

Suppliers

Responsible for outcomes of service consumption

Define Reqs.

Assurance of meeting agreed requirements

Service Provision
Service Actions Transfer of Goods Access to Resources

Service Provision

Consumer Performance

Supports

Consumer Constraints Removes

and / or

fit for purpose Utility

functional non-functional

Warranty

fit for use

Service Performance
Service Level alignment to consumer needs

related to

Capacity	Availability
Continuity	Security



ITIL KEY CONCEPTS OF SM

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

- **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 or 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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