

## My Business Plan

### Business oriented Plan

**This is how we work today (Current Situation)**

**Negative consequences**

**How we would like to work (Future situation)**

**Positive Results**

**Goals and metrics for improvements**

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### Focus per Discipline

# of incidents per year: \_\_\_\_\_  
Price per incident: \_\_\_\_\_  
Total cost of incident handling: \_\_\_\_\_

Classification of incidents:

- Hardware \_\_\_\_\_
- Software \_\_\_\_\_
- Change related \_\_\_\_\_
- Password \_\_\_\_\_
- Communication \_\_\_\_\_
- Request \_\_\_\_\_
- System \_\_\_\_\_
- Other \_\_\_\_\_
- Other \_\_\_\_\_

### Focus on the largest causes of incidents

Describe how each of these causes can be reduced.

Describe what it would mean to the company if you reduce each area by 10-20-30%

Savings \_\_\_\_\_ (Bottom line)

Increased efficiency \_\_\_\_\_ (Will this affect revenues = top line?)

Up time \_\_\_\_\_

Satisfaction \_\_\_\_\_

## Building a business plan for ITSM

Company \_\_\_\_\_

### Summary

Warehouses, supply chain, distribution, have all been automated by the help of IT, which has enabled XXX to grow over the year. This has led the IT department to grow as well.

The purpose of the ITSMX Project is to automate IT itself to enable the scalability and precision of IT services without growing the organization at the same rate.

Business Service Management is a proven and effective approach for linking key IT components to the goals of the business. It enables you to understand and predict how technology impacts the business and how business impacts the IT infrastructure. Business Service Management ensures that IT actions and decisions are based on what's important to the business.

Implementing the ITSMX Project gives us a strong return on investment.

### The Route to organizational Maturity

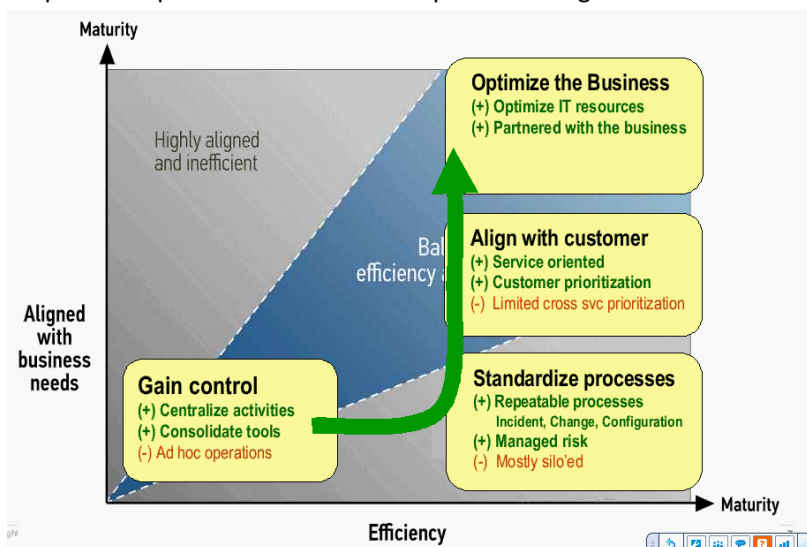
In order to maximize the value for the organization, IT and the interfacing business organizations need to improve the processes they work after.

Step 1 is to gain control of what we currently have and how we use it.

Step 2 is to improve the processes discovered in step 1

Step 3 is to align the IT processes with company needs. Once the IT processes are well known, they can be changed in a controlled manner

Step 4 is to optimize IT and business processes together



## Current Situation

Describe points that need to be improved, examples are:

- Existing IT processes disjointed
  - Missing or manual processes and supporting tools
  - Relation to Service is weak
  - Existing processes are inefficient
  - Many manual tasks
  - Lack of available measurement methods
  - Low security
  - IT support of business
  - Lack of asset control
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## Negative Consequences

The negative consequences of the above mentioned state are:

- **Existing IT processes disjointed**
  - Uncoordinated changes today lead to several hours of downtime per year
  - Long delivery time and delayed deliveries
  - **Missing or manual processes and supporting tools**
  - High need of resources to perform manual tasks.
  - Bad control on Asset, Availability and Monitoring.
  - **Relation to Service is weak (Technical focus)**
  - The IT organization cannot see the relation of an incident to the business impact with the current tools.
  - **Existing processes are inefficient**
  - Expensive development resources used for solving simple first level incidents. This uses time that should be used for service development.
  - Too slow root cause analysis, leading to longer downtime than necessary.
  - **Many manual tasks**
  - No common statistics causes disagreement on reach agreed service targets.
  - Hard and time consuming to produce reports.
  - Manual feeding of Configuration Management Database causes incorrect data. Sometime so time consuming, so it's not done at all.
  - **Lack of available measurement methods**
  - Hard to steer and follow up without common KPI's.
  - Today we have a various number of individual reports generated within different functions.
  - Several reports show the same type of figures but are reported to different instances within IT.
  - **Low security**
  - Unauthorized resources could get access to confidential data.
  - **IT support of business**
  - Company IT prioritizes incorrectly between deliveries, causing unexpected financial impact.
  - **Lack of asset control**
  - Asset control is missing or inefficient, causing over and under-spend on assets.
  - Manual or no reporting on IT assets causing difficult negotiation position and risk of too high costs.
  - Frequent audits by software vendors, effecting in costly internal extra work and potential high penalty fees.
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## Future Situation

What does the improved future state look like?

The company will be using ITIL as a framework to support service life cycle management.

### **INCIDENT AND PROBLEM MANAGEMENT**

The purpose of Incident Management is to restore normal service as quickly as possible, and to minimize the negative impact on business operations.

The objective of incident management is to solve majority of incidents in first level support with faster resolution time minimizing business impact in accordance to service targets.

The key objectives of Problem Management are to prevent problems and resulting incidents from happening and to eliminate recurring incidents.

The objective of Problem Management is to proactively reduce the number of incidents.

### **RELEASE AND DEPLOYMENT**

The objective for the company IT is to provide effective release and deployment. We will offer significant business value by delivering changes at optimized speed, risk and cost, and offering a consistent business services

## Future Benefits

- Structured and common way of working
- Synchronized IT processes
- Automated processes and supporting tools
- Service oriented IT organization
- Reliable and consistent information
- Clear roles and responsibilities
- Standard out of the box processes and tools
- Efficient processes integrated with tool
- Steering and follow up with common KPI's.
- Role based working methods and access
- Prioritizing based on business impact and service level agreements
- Control of all infrastructure assets
- Software license costs will be compliant to contract

## Sample Metrics of the Improvements

Metric	Current Situation	Future Situation	Future Benefits
Compare findings in Discovery tool with existing tracking tools	We only track Windows computers ~ 75% tracking rate	Track all online systems ~ 99 % tracking rate	Prevent theft/loss Prevent over spending on new hardware through repurposing Example: Siebel started tracking unused servers in development and avoided buying new development servers for 18 months.
Count number of deployed infrastructure assets	Manually counted and the accuracy is questioned.	Close to 100% of assets is found automatically.	Exact and easily obtained information
Track license and hardware cost	Manually done.	Automatically tracked.	Aligned with development strategy.
Improve the power consumption of IT	Manually done and based on estimates	Exact information of deployed assets	Reduce cost for IT assets with 5%.
Reduce external software audits and cost of penalty fees	We expect one audit per year. Cost of app _____	Expected zero audits per year due to license asset management and tracking - Cost of € 0	Saved _____ per year Reduced risk of getting negative publicity in media for lack of control
Number of solved problems increased effecting in reduced number of incidents	Lack of proactive work.	We work proactively and solve the root cause of problems instead of spending time, resolving the same incident over and over again.	Less incidents will give the user organization higher availability to the IT solutions Will save time and money for IT that we can use to realize business need
Number of incidents reduced with 10% per year from FY10	High amount of incidents today.	We solve the root cause of problems instead of spending time, resolving the same incident again	Less incidents will give the user organization higher availability to the IT solutions Will save time and money for IT that we can use to realize business need
Cost for incident management reduced with 10% per year	We spend a lot of time and money on incident solving today, due to lack of structure	By implementing problem management and knowledge management in a correct way will save company money.	Money and time saved in this area can be used for realizing business need.
Increased resolution rate in 1st level support	We spend a lot of time and money in 2nd level on incident solving (approx. 70% of the total cost for incident handling).	We solve 80% of the incidents in 1st level.	Solving incidents in 1st level will reduce cost, decrease the resolution time, faster restore of service and free competences for service improvement.

## Appendix A: Example Calculations

### Incident & problem

Number of supported end users?		(Total employees that use pc's and laptops)
Number of service desk calls per user/year		(Industry average 1.5 per user)
Price per call to service desk		(Service desk spend / number of tickets)
Level 1 average first call length?	17 Minutes	(Industry average 17 minutes)
First call resolution rate	14%	(Industry average without ITIL 12%)
Level 1 resolution rate?	70 %	Industry average 60%)
Approximate resolution time for L2 calls?	60 Minutes	(Industry average. 60 minutes)

#### Distribution of incident types

Password related \_\_\_\_\_ # or %  
 Software related \_\_\_\_\_ # or %  
 Hardware related \_\_\_\_\_ # or %  
 Related to bad planned changes \_\_\_\_\_ # or %  
 Account related \_\_\_\_\_ # or %  
 Request related \_\_\_\_\_ # or %  
 Other \_\_\_\_\_ # or %  
 Other \_\_\_\_\_ # or %

#### Value of incident Management

If you can reduce the number 3 top reasons for incidents by 50%,  
 how many less incidents will you have? \_\_\_\_\_ # or %  
 Number of incidents\*price per incident= value \_\_\_\_\_ #

If you can reduce the length of L1 calls by 50%,  
 how less time will you need on phone? \_\_\_\_\_ minutes / year  
 Minutes per year\*price per minute = value \_\_\_\_\_ #

If you can build a knowledge base and give end users self service, you could probably reduce number of calls by 10% in total – and have a better chance of prioritizing.

How many less incidents will you have? \_\_\_\_\_ # or %  
 Number of incidents\*price per incident= value \_\_\_\_\_ #

## Related Issue: Software Distribution / Change implementation

If you can increase the quality of software distribution, what impact will it have?

Current 1<sup>st</sup> time success rate for distributing software? \_\_\_\_\_ %  
 Number of calls per major distribution \_\_\_\_\_ #  
 Number of incidents\*price per incident= cost \_\_\_\_\_ #  
 Additional cost: cost of downtime due to failed changes \_\_\_\_\_ \$€€

### Reasons for failed distribution:

- Bad Packaging
- Bad targeting
- User intervention
- System turned off

What if you could use

Better discovery = better targeting ~ reduce errors by \_\_\_\_\_ %  
 Better packaging = better install ~ reduce errors by \_\_\_\_\_ %  
 Better communication= better install ~ reduce errors by \_\_\_\_\_ %  
 Better error handling= better install ~ reduce errors by \_\_\_\_\_ %

### Example Calculation:

Deploy application X to 1000 computers

Success rate 80% 200 incidents  
200 computers need to be handled somehow

Cost pr incident \$100  
 Cost for Service desk that the change failed: \$20.000

Cost for handling each computer 2<sup>nd</sup> time \$100  
 Cost for implementers that the change failed: \$20.000

Total cost of failed change: \$40.000

Increase success rate from 80->95%

**Cost savings: \$30.000 per major software deployment**

### Asset & Configuration Management Questions

Number of pc's?		
Average price per pc?		(Industry avg. = \$1,000)
If you engage in physical inventories, what is the manual inventory cost per unit?		(Industry average is \$30)
With software license optimization, we look for numbers that eliminate over licensing and reusing existing licenses, thus eliminating new license purchases:		
What savings per desktop/laptop does this benefit give?	\$ 50	(Industry average \$50 per desktop/laptop) (Europe €100)
Asset Management will reduce Maintenance Contract Costs (and other such contracts like insurance):		
What is the average maintenance contract charge per PC/Laptop?	\$ 60	(Industry avg. is \$60 PC/Laptop)
What is the average maintenance contract charge per Server?	\$ 250	(Industry avg. is \$300 for Servers)
What do you anticipate the reduction in contract charges to be?	%	(Industry average is 17%)
Number of leased PC's?	0	
What is the estimated penalty you paid per leased PC when returned late?	0	(Industry average is \$100)

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