



White Paper

Service Catalogues The Business Perspective

People in the IT Service Management domain currently seem very interested in, but confused about, the concept of *service catalogue*. As a result, the services offered to the customer are often not formulated in terms that the business understands. These poorly described IT services lead to inequality – or asymmetry – in the relationship between business and IT, leading in turn to mistrust and ill-informed decision-making. This paper offers guidance how to structure a service catalogue so that they are more easily understood by the business.

Mark Smalley, 24 November 2012



Interest and confusion

People in the IT Service Management domain currently seem very interested in, but confused about, the concept of *service catalogue*, defined by ITIL 2011 [ITIL] as “A database or structured document with information about all live IT services, including those available for deployment. The service catalogue is part of the service portfolio and contains information about two types of IT service: customer-facing services that are visible to the business; and supporting services required by the service provider to deliver customer-facing services.”

Note the reference to service portfolio, which comprises:

- service pipeline (proposed or in development)
- service catalogue (live or available for deployment)
- retired services.

Part of the confusion is caused by the fact that services catalogs fulfill several functions by providing information for internal and external use. ‘Internal’ refers to the IT service provider who for instance wants to know how much is spent on each service. ‘External’ refers to the customer who wants to know what he can buy. Contracted services are described in more detail and specificity in a service level agreement, in which for instance service levels may deviate from the standard service levels offered.

Possibly more confusion is caused by the lack of guidance as to the level of abstraction at which services should be described. ITIL defines a service as “A means of delivering value to customers by facilitating outcomes customers want to achieve without the ownership of specific costs and risks” and this paper describes the customer (business) perspective. It is intended to provide a framework based on the value that the business perceives.

A plausible reason for this interest is the increasing number of services that are provided by external providers (e.g. cloud services) as opposed to the IT department of an organization. All technology tends to standardize and become available as a utility that is procured, not produced, and as a consequence the focus of the IT department is moving to the interfaces between components instead of the components themselves, that can be treated as black boxes. It is therefore crucial that for both providers and customers that the content of the service – the interface – is understood.

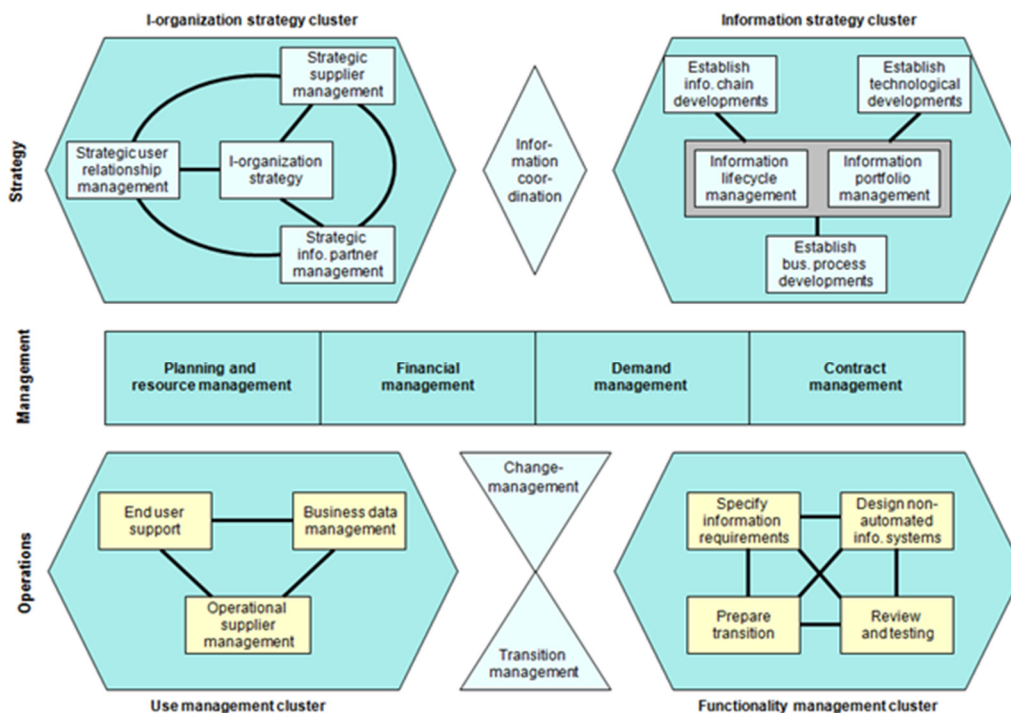
A lively debate on the topic can be followed on the IT Skeptic’s website [ITSKEPTIC].

Users and customers

It's important to realize that in a non-consumer context, users are not customers. The customer is typically a manager who pays for the services, whereas the user consumes the service, often after requesting a service from a predetermined number of contracted services. A list of contracted services is sometimes referred to as a service request catalogue. This touches on another distinction to be aware of: types and instances. The catalogue describes types of services (test support offered at an hourly rate of 50 EUR) where the user consumes a specific instance of a service (3 hours of support to help me with an acceptance test).

Frame of reference for business responsibilities

In order to pinpoint the business relevance of service catalogues, it is useful to refer to a frame of reference. The Business Information Services Library [BiSL] framework that describes the business responsibilities with respect to managing information and IT service form a business perspective. It describes the domain 'Business Information Management', that is an *integral* part of the business, in terms of activities, results and relationships, and clusters them into 23 processes.





The clusters Use management, Functionality management and Information strategy were briefly described in the preceding paragraphs. The four management processes (the horizontal layer) address management of planned activities and resources, costs and benefits, quality of information and the BIM function, and contracts with IT supply. The I-organization strategy cluster describes how the whole BIM function is organized and, to a degree, governed. A more detailed description is given below.

Operational level:

- Use management: supports the users in daily use of the information provision, provides operational control of the IT supplier and monitors the operational data maintenance;
- Functionality management: designs and realizes changes in the information provision;
- Connecting processes: provides decision-making regarding changes in the information provision and carries these out in the user organization.

Tactical level:

- These processes control the management tasks of maintenance and renewal processes (and connecting processes) from the point of view of planning, costs, needs and contracts. They form the connection between tactical and operational processes.

Strategic level:

- Develop information strategy: translates developments in the business processes, the environment and the technology into the future information provision;
- Develop I-organization strategy: establishes communication, management and operating procedure for all parties involved in the decision-making process of information provision;
- Connecting processes: realizes coordination between all parties and all plans in the sub areas of the information provision.

The BiSL framework is supported by various publications, a training and certification scheme, provided by the not-for-profit ASL BiSL Foundation and its partners. See reference [BiSL] for more information.



Strategic supplier management and Contract management

Two of the BiSL processes that interface with the IT supply function are benefit in particular from having a service catalogue in which with services are viewed from a business perspective.

Strategic supplier management is the process in which the business decides which suppliers of IT services are the most appropriate partners to contract. A service catalogue provides insight into the scope of services that the various suppliers offer and is a valuable resource when selecting a supplier, and reassessing relationships.

Contract management is the process in which the business contracts specific services from the IT service provider (typically the IT department) and manages the contract. The service catalogue plays an important role when selecting the services to be contracted and detailing them in a service level agreement.

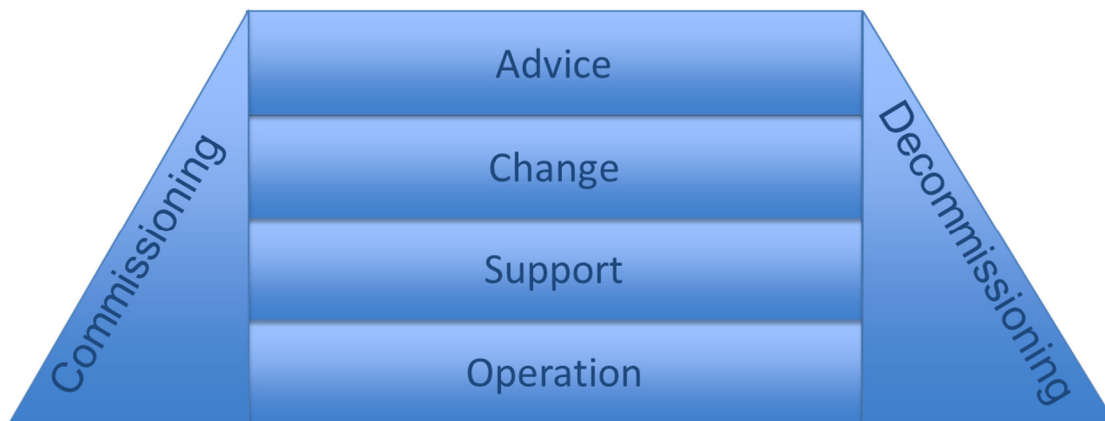
The business perspective

Is this all just of academic interest for consultants or does somebody actually have a problem, and what's the business perspective?

The problem from a business point of view is the asymmetrical nature of information and as a consequence, the asymmetrical nature of the relationship between the business and the internal or external IT function. Many of the issues associated with asymmetry are seen as negative to the relationship. Anderson & Weitz [A&W] suggest that "asymmetrical relationships are inherently unstable" and Kumar, Scheer & Steenkamp [KS&S] comment that "asymmetrical channel relationships [...] exhibit lower trust and commitment as well as higher conflict". When the IT function, consciously or unconsciously, provides their customers with insufficient or confusing information, this results in mistrust and ill-informed decision-making. It seems justified to postulate that this asymmetry has a detrimental effect on another troublesome topic, Business IT Alignment [Smalley].

From a business perspective, the following categories of IT services appeal to business managers in the sense that they fulfill a business need:

- Build or acquire, and then deploy functionality that supports the business processes (this is typically delivered in a project that combines applications, data, infrastructure and facilities to provide the required functionality)
- Ensure that the functionality is operational and fit for use (this addresses availability, performance, security, continuity etc. and the corrective and preventive maintenance that is needed to keep providing the current functionality)
- Provide operational services such as providing a new user with access to the information systems (including supplying devices such as laptops and smartphones), running an IT function that is too technical for a user, e.g. a batch run, and supporting the users when queries and problems occur
- Change the functionality when business processes change and to improve how current business processes are supported (often delivered in a new release, and executed in a project when the risks justify it)
- Advise about the consequences of proposed changes and which changes should be considered, and advise about longer-term choices, such as adoption of social media technology and when to replace an application
- Decommission the functionality



When services in a service catalogue are formulated along these lines, business customers will have a better understanding of the services and their value, leading to a more symmetrical and healthy relationship between business and IT.



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