

marketplace appreciation

Many years ago, the common attitude in Stamford, Connecticut was summed up as, “standards only matter if the business cares about the standard, and standards take too long to come to fruition, so industry best practice works as the next best thing.”

In that respect, ISO/IEC 20000 follows the Gartner model:

- The standard emerged from ITIL guidelines as best practice.
- The demand from the IT industry meant that ISO/IEC 20000 was the fastest standard to market in history.

Gartner has always excelled in figuring out what standards business will or should care about and one of Gartner’s key roles in the IT marketplace is to track and verify the emergence of best practice. Over the years, Gartner has produced many great Rainmakers that have probably influenced both you and I.

Denise Underwood is one of those Rainmakers.

When we architected this book, our choice fell on Denise to write about ISO/IEC 20000 and the marketplace. Denise embodies the spirit of Gartner; her thought leadership in the sourcing strategies arena is well recognized. Denise has been a pioneer of benchmarking, sourcing, and analyzing market needs around the adoption of IT best practices. She accurately predicted the emerging importance of ISO/IEC 20000 in 2004. It was no more than logical for us then, to ask her to

contribute to this chapter on the marketplace appreciation of ISO/IEC 20000.

Even though Denise has now moved on to become a **Managing Vice-President at Five9 Technologies**, her incisive insight and influence certainly haven’t waned. She starts out in her usual formidable tone to describe why, “ISO/IEC 20000 and associated ITIL frameworks will become common practice globally over the next 5-10 years.”

She introduces and explains her Market Influence diagram. It is clear that after the example set by thought leaders, such as Hitachi, Wipro, and ACS, other service providers, large IT organizations and eventually, everyone will adopt ISO/IEC 20000. Denise explains that it is ultimately about business need and market efficiency.

She also exposes an unspoken truth about ITIL and standards; there is a dramatic shortage of certified, qualified, and actually competent consultants in this arena. Denise estimates the number to be significantly less than 300 worldwide. So, beware of the sirens on the rocks!

Success comes with prudence, avoiding shortcuts, emphasizing progression, and above all understanding goals, stakeholders, and the expertise available to support you.

She also has good news, technology suppliers have matured and much of your existing investment can probably be leveraged in the spirit of evolution rather than as a technological knee-jerk.

While her thoughts may no longer carry the Gartner logo, this chapter is vintage Denise Underwood.



MARKETPLACE APPRECIATION



ISO/IEC 20000 and associated ITIL frameworks will become common practice globally over the next 5-10 years. Various rates of acceptance will occur, based on culture, site, size of organization, and competitive pressures. Just as service providers or vendor organizations have utilized CMM and ISO certifications to add credence to their capabilities, so will they use ISO/IEC 20000. This chapter discusses points of appreciation as well as guidance for entering the ISO/IEC 20000 marketplace.

The term marketplace for this discussion is defined simply as the **“provisioning of IT infrastructure services.”** The providers and purchasers of services in the marketplace are participants. Each participant impacts the marketplace in some form or fashion, good or bad, in the short or long term. Vendor research and development agenda investment are good indicators of where vendors would like to take you to spend your budget over the next 18 months.

The sheer number of influencers in this arena causes concern for both purchasers and providers. How do you evaluate service provisioning in a consistent and reliable manner? What do you measure today? What about measuring tomorrow? What are the tools available? Do you need one? How do you gain access to the information necessary to manage your business ecosystem and take advantage of market direction? Where do I, as a participant, enter the ISO/IEC 20000 landscape?



A Market Influencer diagram is an advisable tool to review your unique situation. This diagram denotes major categories to consider. You may need to expand your categories based on the services you are considering and specific industry-type influencers, such as user groups, industry compliance standards, or geopolitical dynamics.



Checklist: Marketplace Assessment

1. Identify and assign importance to your drivers for entering the marketplace; why are you in the marketplace and what is your goal?
2. Make a list of influencers (specifically by name) in your environment today.
3. Prioritize each influencer with reference to its impact on your business ecosystem; how important is the influencer to every-day decisions?
4. Review internal budgets. Include employee, training, change programs, and software or hardware deployment costs, not just the infrastructure services budget. Consider budgets allocated across the ecosystem that are impacted by these influencers – What and where is the risk?
5. Review influencer budget spend on the topics of interest (tools, people, and compliance). Having a budget is as important as not having one from an influencer perspective.

A qualified assessment of this nature is sufficient to understand the influencer dynamics at work for your specific entry into the marketplace.

The marketplace influence on ISO/IEC 20000 implementation techniques has not been fully determined; as a result, these practices are less mature and not commonly implemented. The implementation landscape is wide open — for success and for failure.

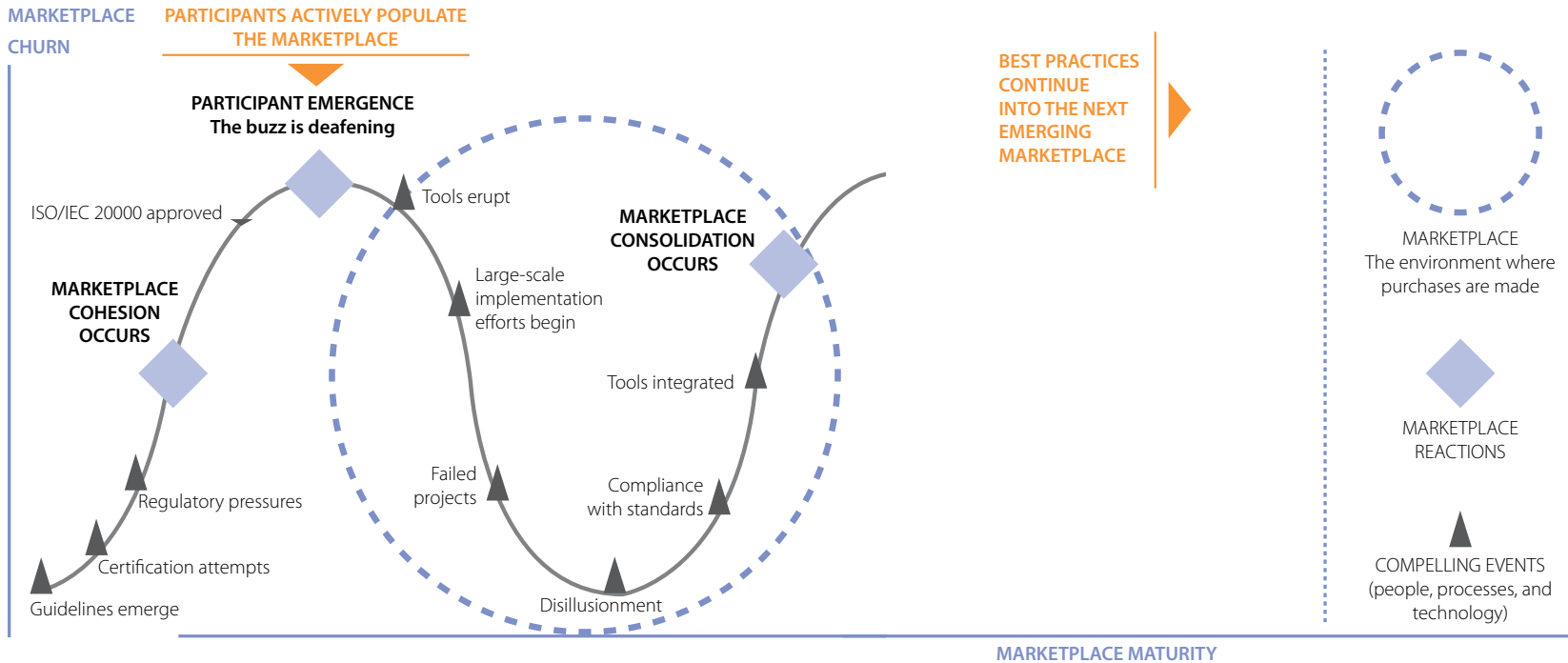
Assess the impact of influencers in your marketplace. Impact equals opportunity.

Marketplace Dynamics: Making the First Move

So far, we focused on the macro and micro marketplace influencers, but now, we need to take the discussion a bit deeper. This section provides opinions and expands on tactics for use in the ISO/IEC 20000 marketplace. The marketplace, once futuristic and driven by thought leaders, is the reality for early adopters. Close followers are lining up their teams on the sidelines for entry. We can employ a deliberate strategy to succeed or “win,” yet there is a variety of situational tactics that need to be employed to ensure true success. The primary goal of entering the ISO/IEC 20000 marketplace is enabling the business ecosystem so that it enhances the customer experience. Consequently, specific decisions, or “moves,” for your ecosystem may vary greatly. Understanding the basic principles of the marketplace will assist in making your first move, whether you are a purchaser, provider, or influencer.

The dynamics of a marketplace such as this one should follow a predictable pattern. The manner in which you prepare for and execute in the marketplace makes the difference. The following figure will help you examine your reality, your marketplace.

ISO / IEC 20000 Marketplace Dynamics



Source: Denise Underwood, 2007

This figure shows marketplace churn as the level of influencer activity as a function of marketplace maturity.

So, how does one make use of such a model? Once you have defined your marketplace influencers, you can determine the dynamics at play today. This marketplace model is very indicative of current market conditions¹. The external factors are identified by the triangular symbols. These are defining moments in the marketplace.

One can follow the pattern as increasing external factors have churned the ISO/IEC 20000 marketplace into existence or marketplace cohesion. The stage is set for formalization. Participants are actively populating the marketplace. Tools are erupting. There are literally dozens (maybe hundreds) of vendors offering a

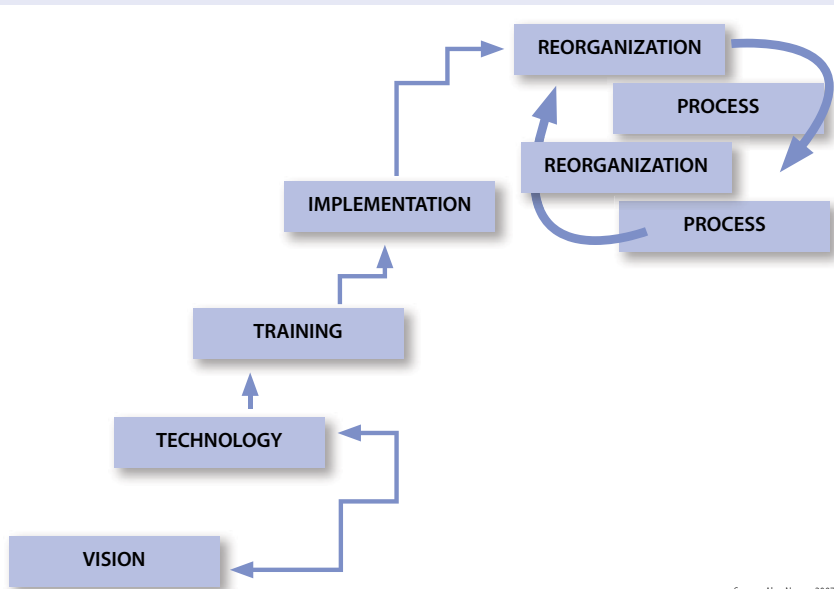
¹ All facts and figures were collated in 2006.

tool of some type that can support ITIL. Every one of those vendors is probably looking to enhance their tool to cover ISO/IEC 20000. Meanwhile, a few large-scale implementations have been completed, with provider interests leading the way.

The large circle represents the marketplace. For the provider, timing is everything. Do you wait for others to succeed? Will that place you at a disadvantage? Do you believe this is a good move for your business? What are the consequences if I am a follower? It is evident that several providers have considered ISO/IEC 20000 as a market differentiation point while others consider making it part of the regular Quality Management program in preparation for the maintenance of their market position.

Purchasers are faced with a dilemma in selecting providers that have little track record to go on versus a known provider. Be aware of the level of churn at your

Typical Approach



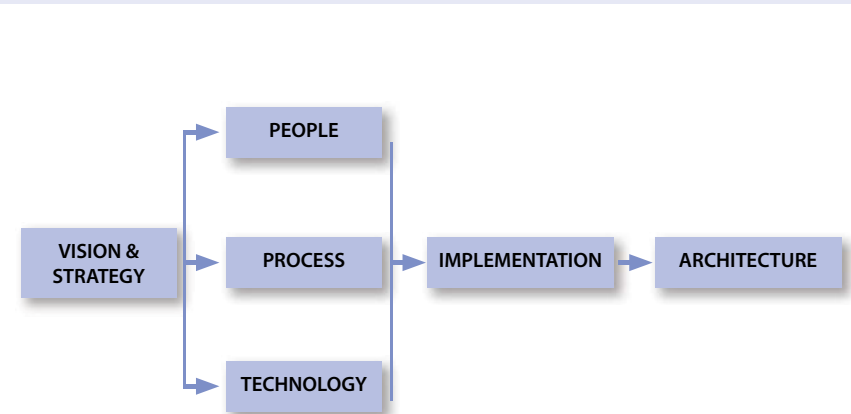
Source: Alan Nance, 2007

moment of purchase. This impacts price and contract negotiation positions. Also, the implementation practices in the past may not work in your after-market experience. Typically, the formation of a new marketplace takes some time. At first, you may look to others for their successes and best practices. The temptation is great to simply implement or copy a best-practice solution, but remember that implementing another's best practice directly into your ecosystem is a worst practice. ISO/IEC 20000 best practices may already exist in a variety of places in your organization; use them.

Caution is necessary as an early adopter or close follower; shortcuts are not advisable because implementation is an evolutionary program.

A typical ISO/IEC 20000 program may begin with either a vision push or a technology push; then, training and implementation begin, setting off a series of reorganizations and process changes

Preferred Approach



Source: Alan Nance, 2007

Resist the typical (or common) approach and start the journey on the best foot. The recommended approach is to begin with the end in mind. Discuss and agree with the business, IT, and vendors on the strategy and vision for this program and how this will support business needs. Supporting business needs provide valuable insight into the metrics that need to be positioned to show the value-add of the program.

Defining program and performance success criteria may not be an easy task but it is critical to the establishment and continued momentum of this type of implementation program. Program success is not just on time and on budget.

Once success criteria are confirmed, conduct a review of the existing people, process, and technology components within the scope of the implementation. The constructs and

Key Performance Indicators (KPIs) are so important that early definition and baselining are seen as critical actions for project success.

maturity of each of these areas must be examined and documented to provide a platform (or baseline) for stable implementation and Performance Management.

All our case study participants have noted that KPIs are of vital importance. Enlist external assistance to define meaningful metrics. To fail at this task may cause program failure due to undocumented and, consequently, unsubstantiated return on investment and business value.

To summarize, there are basic guidelines and instructions for traversing the marketplace. Examine your unique marketplace and see just who and what influences your budgetary decisions once on the market. Investigate the marketplace dynamics at the time of your entry. Avoid the typical and adopt the preferred approach. Measure the right things early, and pay attention to success criteria measurements.

The Participants: Purchasers and Providers

A successful ISO/IEC 20000 implementation program **understands and documents its participants**. A thoughtful inward look at (or even a “knee-jerk,” involuntary investigation of) ISO/IEC 20000 provokes the immediate purchaser questions: Who can help with this project? How do we get through implementation quickly and successfully? Yes, selecting a partner to assist is a logical step for early adopters and close followers. At this writing, the quality and quantity of assistance available in the marketplace is at a less-than-desirable point. ITIL is fast becoming a mainstream IT Service Management structure, but the warnings are clear; **truly qualified ITIL consultants are few and far between**. In fact, a recent study indicated that the number of qualified ITIL consultants is less than 300 on a worldwide basis. One can assume that there will be a similar lag between market needs and the ability of the marketplace to provide qualified ISO/IEC 20000 professionals.

The actual numbers of truly qualified individuals – ones who have been through the actual implementations – and have passed certification processes, is quite small on a global basis. The resource lag is a significant consideration between now and 2009. Many projects will kick off in 2007, creating a swell of qualified individuals who will eventually make it to the marketplace as consultants in 2009. All of them ready to assist you in your program.

A lack of qualified individuals will push, or influence, the marketplace to look for solutions. **Marketplace vendors will push tools as a solution**, creating a “Fools with Tools” situation. Critical investment funds may be spent unwisely if tool purchasing takes priority as the solution. A tool without a determined process will not be adopted well and may even create a perception of failure if the tool itself does not perform to expectations. The implementation of a tool must be

coupled with a solid understanding of the business value gained from the tool. There will be many perceived failures as the performance level of the personnel implementing the tools will be “less than average.”

The marketplace is crowded with tools that can all be purposed for ISO/IEC 20000, and every tool vendor is trying to determine a marketing strategy targeted just for ISO/IEC 20000 and ITIL. Expect tool disappointment to occur over the next few years as the marketplace participants work to improve their ability to provide and support ISO/IEC 20000 Services Management tools that complement Configuration Management Database (CMDB), Asset Management, Data Management, and security products.

You will most likely discover that you already have tools that can support your efforts. As the ISO/IEC 20000 market matures, you can expect to see ISO/IEC 20000 “in-a-box” offerings. These offerings will be similar in nature to ISO 9XXX toolsets that provide predefined processes and exacting directions for implementation.

Don’t misunderstand; tools are a great enabler, but follow a few purchaser guidelines for the evaluation and selection of a tool.

- Examine what services your organization provides.
- Document KPIs.
- Document your processes and workflows.
- Utilize tools and tool vendors that have a good track record with your organization to ease architecture platform costs and concerns.
- If you do choose to purchase a tool, ensure that you understand and include the support costs (training, personnel, and license agreements) to sustain tool adoption and usage past the implementation timeline.

As a reader of this book, you are certainly aware of ISO/IEC 20000 and other certification programs. If you are a purchaser, you may be contemplating an ITIL and/or ISO/IEC 20000 implementation program, and you probably have a list of providers that you would use for such a project. To become an astute purchaser of IT services and Services Management for your business, you need to embrace the language of ISO/IEC 20000 (and ITIL) to communicate your business needs to the marketplace.

As indicated by our case study participants, providers are looking to utilize the standard certification to posture, position, and gain and/or maintain market share. Interestingly, the more market share a vendor has, the less likely it is to openly pay attention to ISO/IEC 20000. Proprietary management methods and the acceptance of “yet another standard” cause ISO/IEC 20000 to appear as little

Embrace the language of ISO/IEC 20000 (and ITIL) to communicate your business needs to the marketplace.



more than a ripple on the Quality Management team radar. That is not to say that vendors are not pleased with the standard, it is just one more competitive point for them to consider.

For comparison purposes, the recent explosion in ITIL process and practitioner requirements in Request for Proposals (RFPs) has created a great need for trained, certified, and qualified ITIL professionals. All major service providers have recognized this void and are staffing up, training, and partnering to gain access to competent ITIL practitioners. As ITIL is a basis for the ISO/IEC 20000 standard, these service providers will be positioned to quickly move through a typical certification cycle similar to the ACS and Wipro documented pattern. Major players on the market will achieve some level of certification, as they deem necessary to their perceived market position.

While vendors sell to the marketplace, there are many organizations that have shared or captive services. These are provider participants too. For these services to be managed in a consistent manner on a global basis, it becomes imperative for these areas to recognize the business value of implementing ISO/IEC 20000.

Hitachi is an excellent example of movement to satisfy internal and external customers via this method. Recognizing that an internal ISO program can be disruptive if mismanaged, the Hitachi management team spent a great deal of time building consensus for the program and ultimately achieved General Manager sponsorship. They truly went through a change program. The reasons for implementing a standard and the resistance to change are commonly encountered in any ISO implementation. A clear and concise communication plan is a critical, underestimated component. Advice from all the case study participants identifies that clear, concise scope and KPIs are essential to program progress. Whether you are selling your services (as a vendor) or providing captive shared services, your tactics should be the same for implementation support.

As you examine the case studies, identify which characteristics you have in common and look for the manner in which success was achieved. All agree on the following principles for an ISO/IEC 20000 implementation program:

- Identify YOUR drivers.
- Identify YOUR scope.
- Calculate the SCENARIO COSTS.
- Identify what KPIs are important for the implementation program.
- Understand what KPIs you need to populate to communicate business value.

Look for excellence not perfection.

