

IN WITH THE OLD, ADD WITH THE NEW

Moderated by SHARON TAYLOR,
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In this executive podcast panel discussion, SHARON TAYLOR talks to panelists from three leading ITIL companies to discuss the topic of ITIL V3 and challenges that arise with integrating the redesigned practice framework with existing ITIL-based systems and applications.

ST: It has been eight months now since ITIL V3 was launched. Since then, the industry has been busy assimilating the changes in ITIL practices. Some organizations have already begun adopting V3 and most of the vendor community is working V3 into their product strategies. ITIL consumers who have invested in ITIL-based solutions may have concerns about how their existing solutions will work with V3 and what they will need to do to avoid costly investment in V3-based technologies. How well are current technologies aligned to V3?

YD: I think the main concept is realizing that V3 does not disregard or change everything that was done in V2. V3 of ITIL is just another layer that has a different focus point, with a different spotlight on processes that were already defined within V2 – and these processes are all about making IT run as a business. From a technology standpoint, Digital Fuel welcomes this evolution because we think this really brings to light the main goal and

objective of ITIL – to run IT as a business. As such, I believe there are several key processes that will enable one to comply with V3.

First is deploying or having a business-oriented service catalogue in place that enables you to define the IT service universe, different service lines, different bundles, different offerings, and then on top of that being able to manage the different business commitments and obligations to the different business units all in a customer-facing way, all in a business unit-facing way. It also introduces the service of IT financial management, which is all about managing the financial aspect of running IT as a business; being able to charge the different business units for the consumption for IT and being able to control the cost in a very tight way in order to control costs. All of these technologies and processes sit on top in our layer and were designed in a way to leverage everything that was already put in place in the past with regards to configuration management, change management, problem management and the whole set



of different processes that are all operation-oriented. So, all of the technologies and systems in place to help companies comply with the new evolutions of V3 are not destructive technologies; they actually sit on top of everything that you already have done in previous years trying to comply with V2.

I think companies need to view ITIL V3 as an evolution and not as a revolution, and companies should be content with their past investments because that's going to enable them to become customer-facing and business-oriented much faster

KK: I agree with Yisrael that it's an evolution and not a revolution. The one big difference I see between ITIL V2 and V3 is the prescriptive guidance to implement ITIL. From a technology standpoint, it's going to be an evolution, so whatever platforms you have invested for service automation or service management would not be disturbed. But there were many gaps that were attempted to be filled by point technologies around areas like



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SHARON TAYLOR is a well-known and respected figure within today's ITSM community. As the Chief Architect for ITIL, the world-leading ITSM best practices, Sharon is the author of ITSM books and regular columnist for a variety of IT management publications read globally.



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portfolio management, demand management and enterprise architecture where some defined prescriptive guidance will have to be considered when integrating this. A big challenge many IT executives encounter is that there are two big parts of the organization: the “build” side and the “run” side of the business, so we’re seeing a pretty tight alignment. We’ve been talking about this concept of integrated application operations, where application operations is part of infrastructure and not part of applications. We’ve seen this resonating in the market and is believed to give a very defiant alignment approach for integrating these two parts of the organization. This also gives a perspective on how to run IT like a business. The key thing is that it’s now getting into some kind of a shape; you have now a functional process reference model for an IT lifecycle.

From a technology perspective, siloed solution from tools and process vendors makes the dream of end-to-end IT service assurance almost impossible to realize; ITIL V3 will help address this through its well-defined process framework. It will drive a lot of open standards technology, making sure that platform interoperability between different solutions is achieved.

DC: There’s a myth out there that the vendors are just waiting around for ITIL to come so that they can develop software around ITIL – and that’s certainly not the case. We as the team members on ITIL have the same inputs, and that is: Organizations are striving to deliver valuable services to the business, in other words, to meet business objectives. So ITIL V3 is really an attempt to take that input from organizations all around the world and figure out how they’re meeting that challenge. The problems that ITIL are trying to resolve are the same problems that the vendors are trying to help their customers resolve with their technology. What ITIL really does is that it enables the vendors and their customers to interface on a common ground using the same set of language. And to that extent, I think that certainly what the vendors are doing with ITIL V3 is making sure that their product strategies and their roadmaps are linked to the ITIL evolution.

I think vendors are certainly tying their product strategies into what is an ITIL, but not because ITIL is a standard; but because both their product strategies and ITIL are dealing with the same customers and the same set of challenges and problems. So, the good news for organizations is that ITIL certainly has created a very good roadmap and a very good set of strategies for organizations that are serious about managing business, and vendors that are using ITIL have the same agenda so their products are going to link up using the same agenda.

I think the important thing to recognize is that vendor technologies are independent of all of this. Vendor technologies are really linked into helping customers achieve business outcomes. However, one thing to add to this is the idea that there is a separate set of B3 technologies that are fundamentally different from the V2 or V1 technologies, and that is just not the case. In fact, if you look at what’s happened in V3, we’ve recognized that a number of the technologies that have been around for years are actually really critical in terms of supporting incidents, problem management, service level management, etc. So, for

example, even all of those monitoring tools that we know have been really important in managing operations are now showing to be important in managing service management processes and solutions as well. In fact, the strategy you’re following is not a new and innovative strategy; it is actually a strategy to integrate and make better use of the toolsets that you already have.

ST: It sounds to me like the evolution of ITIL practices and solutions have come a long way in a really synergistic fashion, and that it’s not one trying to catch up to the other or creating practices or solutions in favor of the other. Rather, it sounds like it’s been a very harmonious evolution and probably good news for customers to hear.

ITIL consumers have been using vendor ITSM solutions for a while now for things like incident problem change, configuration, service catalog, etc. So how are vendors preparing to evolve their solutions to align these practice areas to V3? How much change has taken place with respect to those former V2 processes in V3? And what do we have to do from a solution perspective to align?

DC: We’re not expecting people to change everything they’re doing and change their technologies and solutions. The changes in the technology have really been as a result of the problems people have found when implementing V2 processes.

I was one of the co-authors of the service operation book in ITIL. We spent a lot of time examining organizations’ experiences with V2 implementation, and there were clearly some problems there. For example, how do you deal with the fact that service requests are tied in with incident management? What we found happening within the tool side, as well as within the practice side, is that most organizations were separating these two. So what you’ll find as you move to implement solutions in V3 is a lot of these decisions and changes that have been made have already been evolving for a number of years. For example, if you start implementing incident management and you’re using the technology that already exists, it already allows you to out incidents and service requests, etc. It already allows you to start integrating those two sets in with your event management tool sets.

I personally don’t think these changes are going to be huge in these specific areas. The biggest change we’ll see is in the way IT manages itself and how IT works with the business to achieve business outcomes. However, I don’t think the internal changes within incident management and problem management are going to be that big, simply because they have already been evolving.

KK: Certifying or benchmarking solutions is one area where we feel more work needs to be done. V2 and IT solution management products have been very heavily focused around service support, where primarily workflow platforms are hosting a lot of the process modules. So, for example, with HCL’s service catalog, our own service request management interface lays on top of an existing IT service management platform, and we started building it up from there. We had to build workflows within change management and within Incident management to drive this.

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From a technology evolution perspective, there will be many enhancements and improvements that must take place in order to adopt those additional interfaces defined in ITIL V3. Our perspective on change management is that when you get into a remote infrastructure management engagement for customers, the challenges of changing from an infrastructure perspective and those of changing from an application perspective are two different viewpoints, because change management may trigger an application code change or it may read into an application enhancement or some kind of minor fix. The way the change is treated on the application side or on the infrastructure side is quite different. There have been many products and technologies, but they will now have to expand and start covering both sides of the change because from an end-user perspective, IT is consumed like a service; they're not bothered with whether it's an infrastructure change or an application change, as long as he gets the end service delivered.

It's also important to think about configuration management database (CMDB). I think CMDB is evolving into a CMDB system, and it's becoming a more complex set of different entities delivering CMDB. I think tools are still loosely coupled in the areas around demand management and portfolio management, which somehow have to dovetail into the overall ITSM platform. So from a technology perspective, there are existing things that need to be enhanced. A lot has already been done on the technology vendor side, which we think will accelerate their option around things like business service management. Currently, lots of integrations are happening, and the concepts around linking event management to incident, problem, change and to service management are very popular.

ST: So it sounds like the product strategies of vendors in the ITSM space are really not that different than they would have been in the past; these are enhancements and improvement as the industry evolves and the practices also mature – which is good news.

YD: If you look at the essence of V3, the main change is looking at how IT interacts with the business. How do you create an interface or a layer of communication, a process-oriented communication, between IT and the business in order for the business to drive the agenda and the goals of IT, and not vice versa. When you look at that, all of the underlying operational systems – the systems that you use in order to run your IT on a daily basis – you're probably not going to experience a lot of change. The ticketing system, event managing system, monitoring system, service desk system, etc., are systems that probably aren't going to experience a lot of change as you move to V3. And not only that, you're going to find that your investment in these systems in order to run them and in order to run IT is very important and you can derive value from them in order to get to V3.

That said, I think the major change, new investment and bigger paradigm shift is going to happen around this layer of interface with the business. If you look at the specific processes, which have to do with the layer of interface with the business and how IT communicates with the business, they are around processes of the service catalog that will have to become a much more service-

oriented service catalog. It's not about pieces of technologies, and it's not about bits and bytes and routers and switches; it's about a complete bundle of services that the end-user is getting, and they really don't care what is underlying that bundle of services that they're going to receive. I think we will see quite a bit of change in the type of solutions that are going to be deployed.

The second area is service level management. I think the evolution we are experiencing now is that of attempting to manage the service levels and service level agreements from a business value perspective. The last area ITIL V3 introduces is a business process. Up until now, systems were not brought in to automate the process in IT that involves service financial management, so I think the major change is going to be in that area. You cannot interface with the business users and the different business units if you cannot tell them what the cost of the services are that you are offering; or if you cannot plan a budget or control actual service cost versus budget; or if you cannot provide them with invoices on a regular basis for their consumption of services.

So I agree with David that there's not going to be a lot of change in the operational level; the main change is going to be around catalog and financial management. The changes are evolutionary and not a revolutionary; therefore, solutions are changed to leverage what already exists in the operational environment.

ST: As an industry, it seems as though we're approaching a time where we could consider removing IT from ITSM. It certainly seems as though solution vendors are moving toward addressing business solutions as opposed to just IT solutions, and I think from a consumer perspective that's a really positive part of the evolution.

ITIL V3 has included practices that address a variety of sourcing alternatives, and I think V3 has introduced some really new concepts that haven't been addressed as part of ITIL before but have been part of the challenge in our industry for a number of years now. With so much participation in off-shoring and global delivery models, how are vendors preparing to meet the demands of customers who are moving toward V3?

KK: Multi-sourcing is a crucial discipline that must be adopted on top of the traditional "asset-heavy" outsourcing which tends to get companies locked into contracts and long-term scenarios that are asset-centric and not service-centric. ITIL V2 was more internal facing, but now it's getting the third perspective of an external service provider and how these multiple parties work within the internal IT unit. The most critical changes in V3 is getting some level of prescriptive guidance to enterprise IT users to understand that this is a different way of engaging and connecting to different sourcing models.

The big change is not around service support, service operations or service transition; we're seeing the big difference happening around service strategy – it's about defining a sourcing strategy. We'll see service level management coming as part of the service design phase and also being as part of continuous service improvement, which means it's not about defining service level, but about measuring managing service levels from a business perspective.

For example, HCL did an interesting engagement with a large insurance company. Our entire IT full-service co-sourcing of applications and infrastructure was built on a per-policy pricing, which means there are a number of policies that get sold on a fixed baseline price and the variable price is built around that. So it's about the ability to start business outcome based on output rather than based on input. I think sourcing models will continue to evolve. I believe that if we hold the ability to interface the service provider and the enterprise consumer at a functional level as a priority, rather than interfacing at a technology level, we'll be able to get that process functional layer and functions to interface with the business rather than getting technology to interface with the business.

YD: First of all, we must realize that we are evolving to manage services as a business and not only as IT. We're adopting methodology and processes that are adequate for managing services across that board, and I think it's a tectonic change that we need to be aware of. Different sourcing alternatives are available now, which counts as acknowledgement that if you want to operate a truly global enterprise in this time and era, you need to rely on a tightly coupled web of services that are provided by multiple vendors, partners, customers, subcontractors and business entities. So at the end of the day, we are operating in what used to be called the "extended enterprise," which raises a whole new set of challenges when you want to run your service as a business. It's no longer a bunch of folks sitting in one datacenter in one location; it's a bunch of different business entities providing different types of services or different pieces of services, some IT and some of them not IT. However, they are all geared toward one golden objective: to support the core business of an enterprise.

We've been telling our listeners that it's an evolution and not a revolution and that the change will not be drastic in the system. However, on this specific subject the types of solution and software that are adequate and appropriate to managing this tightly coupled web of services, service partners and subcontractors is, in essence, different than the operational systems we were used to up until now. The core difference between software product and solutions and systems is the key objects they are managing. The key object of what monitoring solutions, event management solutions and service desk solutions were designed to manage are assets and components. The core objects that you should start managing are your customers, vendors, partners and the different service offerings they are providing – but most important is the contract that was signed with these different parties. Managing services from the business/customer perspective requires a whole new layer of software capabilities to manage these types of relationships.

For anyone looking to enable business management of their IT, I recommend they make sure the system is able to reflect and manage the IT vendors, IT partners and different IT contracts in place.

KK: I think there needs to be a fundamental architectural change that happens within the service asset and configuration management system, which is to extend that schema or dataset to start supporting and looking at governance and compliance, and even looking at human capital management – because IT is all about people. At

the end of the day, about 70 percent of the CIO's budget goes into running operations. Many times there's no product technology available, so the tools, from a sourcing perspective, must look at financial resources and the overall IT portfolio if it is a full-service sourcing including application and infrastructure. Start looking at managing vendors, and not only managing the contracted vendors, because now aggregators are involved in sourcing relationships. When you start looking at portfolio management, you really do not manage your in-house portfolio; now you're looking at an extended portfolio. So we're seeing that these are the areas where technology vendors and IT service providers have to look at innovating and investing to extend the platform.

ST: To some extent, V3 really has raised awareness by documenting practices formally, but this is an issue that we've been facing for some years now. So V3, in some respects, may be a catalyst to help raise awareness on the customers' side in the need to manage the relationships.

DC: I think the basic issues around outsourcing are still very much the same. We really need to get settled before we even begin to think about outsourcing or off-shoring, and determine what exactly it is that we're outsourcing. Many organizations have not yet defined that, even while they're in the middle of outsourcing, and even while they've outsourced components or processes.

For outsourcing to be successful, you must know exactly what it is you're outsourcing. In the past, people have made the mistake of outsourcing things they just don't understand or don't know how to deal with. For example, a company may have trouble dealing with service management, so they decide to outsource it. That really is not a good approach; you're simply outsourcing a problem. I like to compare this ill-advised approach to a couple with marital problems deciding to have a child to solve those problems. Instead of fixing the problem, this "solution" may make the problems worse. It's the same thing in outsourcing. You shouldn't be outsourcing problems. What you should be outsourcing is solutions. If you know exactly what it is you're trying to achieve, why you're trying to achieve it and what you hope to get out of the outsourcer, that's a very good time to outsource – both for the customer as well as for the outsourcer. Most of the dysfunctional relationships between outsourcers and their customers have been simply because neither really knows what it is they're supposed to be delivering. V3 analyzes exactly why that has happened and suggests ways of defining those relationships and the different components that have to be delivered in each stage of the relationship.

The challenges we face in outsourcing are pretty much the same as the challenges you face in any business problem, and the answers have become a lot more diverse than it ever has before. We're able to source those kinds of resources and capabilities internationally, which raises a variety of complex management challenges. Many people who rushed into the off-shoring and outsourcing decisions early on didn't think through what it was they were expecting those people to deliver and how were they going to deal with some of the cultural challenges. The most important question to contemplate before deciding is "What exactly are you outsourcing?" and "How



are you going to use what the outsourcer delivers to increase value for your organization?" When you can answer these questions, the other components tend to fall into place.

ST: A couple of years ago, the international standard ISO 20,000 was released into the marketplace, which really catapulted the visibility of frameworks like ITIL into the mainstream focus. Many companies invested in management systems and practices using V2 as building blocks to help achieve compliance to ISO 20,000. In fact, we saw a move in the industry where a lot of customers were demanding ISO 20,000 certification and compliance in their suppliers. I think there was mixed experience with how effective that was. With respect to V3, how much impact will ITIL V3 have on organizations that have invested in ISO 20,000 compliance, and what kind of changes might be needed for those organizations to remain compliant going forward?

DC: ITIL V3 moved closer to ISO 20,000 from V2. There were a number of areas in ISO 20,000 that were added after V2 was written, and those areas are now included in V3. I think using V3 will make it possible to extend the scope of what we were able to achieve under V2 or ISO 20,000, because the focus is not just on IT service management but on expanding service management into the linkage between what the business is doing, what IT is doing and then how we trace that back into our suppliers.

I think we're certainly going to see companies make more effective use of ISO 20,000. V3 will help make that experience an even more positive experience for the companies involved. I think pragmatically, the major impact is going to be that as ISO 20,000 gets reviewed in the light of V3, changes will be fed through to the organizations that are certified. They'll be able to assess what the differences are, how that's going to impact them and then put in place the necessary project. However, I don't think the changes are going to be major, and they're certainly not going to result in any strategic changes to your service management project in any way. Most of the changes will tend to be a lot more tactical.

YD: First of all, don't change what you've already invested in. I think anyone who invested in getting ISO 20,000 certification is in good shape, and I think the change that is going to be required in order to comply with ITIL V3 is going to be an overarching change, an interface, and I have no doubt that people who went through the investment in V2 or ISO 20,000 are probably going to have an easier task in being compliant with V3. I believe people in the process of certification are probably going to be able to shorten that cycle and be able to achieve more with less just because of the business orientation of ITIL V3. For example, people are going to be able to achieve some business goals without going through a CMDB project that some organizations went through just to realize they didn't get the business benefits.

I very much agree with what David said about those who have successfully invested and made efforts to be compliant with the service management practices and methodologies for ISO 20,000 are probably going to extend that methodology to manage other services. We are seeing the evolution of the global shared services organizations, and I believe that if IT is a leading organization within an enterprise that has ISO 20,000 compliance and knows how to run IT as a business, they're probably going to get more responsibilities and apply the same methodologies and practices to a variety of services within an organization.

I'm willing to gamble that several years from now ITIL is going to change its name to SML or something of that sort, because I think at the end of the day, ITIL is becoming the de facto standard of how to manage services, and not only IT. I think the combination between ISO 20,000 and ITIL V3 is really a step in that direction.

KK: From an ITIL perspective, we've had experience with the certification process two steps ahead of everyone else. We started adopting ITIL management software way back in 1998. So in 2000, we went and got our ITIL processes which were certified through ISO 9002 because there was nothing existing to certify ITSM back then. We became the fourth company globally to get certified on BS15000 and then got it recertified on ISO 20000.

A big challenge we're seeing with the technology is that the process is more or less aligned so there would not be a big change, but I think the bigger challenge would be the auditing practices and the way ISO 20000 starts auditing the documentation. There has to be significant updating, which has to happen on the ISO 20000 front to start aligning and taking account all of the ITIL V3 components.

I think the good thing is that there are many process interfaces and functional interfaces which have been public. ITIL V3 would expand, start adopting other processes and also look at how it aligns with the application. So I think ITIL will be one of the core practices, but ISO 20000 should continue the certification but continue to add from a business perspective as far as their IT operations and IT management enhance ITIL V3 and keep the platforms ready so that when there is a refresh upcoming on ISO 20000, it should be able to align more closely.

ST: Can you paint a scenario that would help guide customers and their organizations moving forward to V3 from V2?

YD: Start from the business – top down. If you start with what the business units want from IT, and if you document that, from there on you can propagate that down to the area where ITIL starts. You can achieve business goals much faster than doing it the other way.

If you start from the top and start from the business and understanding the business requirements, even if you run

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into gaps during the first run, it's going to help you pinpoint exactly the things needed in your infrastructure and operational system, rather than trying to boil the ocean from a technology perspective and then redoing the work when you get to the business. So start by meeting with your business unit, documenting what they need in order to support their business and going back to see how you can support them.

KK: HCL, as a service provider, uses multiple technologies and interfaces to build a framework; we have our own best practices framework called IT Service Assurance (ITSA). If you believe that you want to run IT like a business, you need an automation platform to run IT like a business. We break this into three key different alignment points: the functional, domain and the technical alignment.

If you're running IT as a business, the functional interface is going to be the IT lifecycle processes. So the business to IT interface has to be a process or a function-centric interface; it cannot be a technology interface. The functional layer typically helps customers look at aligning IT to business. You capture operational requests on a service catalog, but what about demand? IT as a business should only see a service catalog and demand management interface and one single integrated dashboard from a reporting perspective.

I believe business should only see two different interfaces: one for requesting catalog service and one for requesting new services. There's a functional alignment of the process to the business that drives it. The next area is the domain, and if you look at an IT automation platform, the domain experts are your technology people. We break service automation into four areas: event automation, IT process automation, IT task automation and IT business automation. Since the whole thing is tied down to a process reference model, it has to be business-down.

HCL's whole approach is built around the ITSM framework, and we typically work around the business-down approach by looking at the functional interfaces and then slowly dealing with the implementation. Start piece by piece and get in the right frameworks. Look at assessments. You don't need to throw everything away, and you don't need to reinvest in new things. Look at optimizing.

DC: I've heard two scenarios, which in my mind are very irresponsible of the industry. The first scenario encourages users who are moving from V2 to V3 to just stop what they're doing in V2, disregard everything that's been achieved to date and just go full out for V3. The second scenario, which to me is just as irresponsible as the first, advocates ignoring V3 altogether since V2 has worked for the last 10 years.

The first case of dropping V2 and spearheading V3 fails to recognize the value in V2. Everything that's been achieved under V2 is significant and important, so to disregard it to move on to something which you perceive is different is wasting a lot of value that you've achieved. Also, what is in V3 is not that different that you're not going to be able to use what you've already done. The second scenario is also irresponsible because many decisions

were made in V3 because there were some gaps or areas in V2 that needed improvement. If you don't take those into account, you may actually waste a lot of money going down a certain path without realizing this has already been discussed by organizations who may be a bit further ahead than you and have learned from it.

My advice is to first find out what is in fact different in V3 by sending some key subject matter experts and project leads on a course to evaluate what is different about V3, or simply to read the books themselves. Once they've understood what's different about V3, then go back into the project and evaluate exactly what has changed and whether that impacts anything that you're doing today.

With any new process or area you implement, start with V3, compare how that fits in with what you've already achieved and then move forward. In other words, we recommend a very pragmatic approach. In terms of education, if you've trained a lot of people, you may want their training to be consistent over the next few months, so keep on with the V2 training course and maybe include a few slides which talk about some of the changes you're going to be making as a result of V3. If you've just started out and only trained a small percentage of your people in V2, perhaps you may want to switch over to the V3 training course, but again include some links to show exactly how this training links back to what you've started doing.

Don't throw any value away. ITIL V3 should not have changed your company's or IT group's objectives. Your objectives should be the same today as they were under V2, and that is to provide good service to the business, to help the business meet their objectives and doing so in a cost-effective manner.

ST: V3 encompasses concepts around business service management, service automation and lifecycle automation, and how technology can support and strengthen ITIL practices in organizations. What are some of the basic rules on what should and should not be automated, and is lifecycle automation realistic for most organizations today?

YD: Honestly, I think systems are only as good as the people using them, and I think that is something you need to remember in this process of automating service management – it is no different than other processes that were automated in your business. The secret for success is to do it in a gradual, step-by-step approach and to have the education and change management of the processes propagated throughout the organization. Just putting a system in place does not mean everybody is using the system, that everybody is using the system in the right way and that everybody is following the guidance and processes the system brings to play. The system is a facilitator of automation and of processes within an organization; it cannot stand on its own. There's discipline, process and change in an organization that needs to happen in order for a system to assist and facilitate an automation of process.

I believe the majority of processes outlined within ITIL can be automated – or you can automate a big portion of them – but at the end of the day, the users and the environment still needs to

support these systems in an adequate way in order to achieve all of the goals and objectives. The key is to look at this as an entire lifecycle and to take it in a gradual approach to understand that you need to get the definitions, data and systems right. But then most important thing is that you need to get the change that this is going to drive in your organization, document it, implement it, and make sure everybody is adhering and working with the system in the fashion you envision. This all happens slowly but surely, and that is why you should take it one bite at time and in a gradual approach.

ST: David, do you think that we put too much faith in automation? What are your words of wisdom around lifecycle automation?

DC: John McClane, Bruce Willis' character in the Die Hard movies, said, "It's not about systems, it's about people." And to me, that's the most important thing here. If everything you do as an organization and every service you deliver is completely standard, then by all means, automate to your heart's content. The problem is, however, that when we're dealing with people, and especially when our customers and the people who deliver services are people, you cannot expect every experience to be standard. For that reason, you can certainly automate aspects of the lifecycle, but things that are not standard cannot be fully automated. There has to be a way of dealing with things that are out of the ordinary that are not standard, and let's always remember that these systems and services only exist because we're providing a service to a customer. That relationship can never be automated, and neither should it be.

KK: Automation is a never-ending activity, but the key about automation is that you're automating for people. I agree with both David and Yisrael that you end up today doing automation because there are people who can work more efficiently and faster with fewer errors, but the end focus on automation has to be people-driven around what we can automate by removing mundane tasks.

The worst thing that can happen with automation is automating bad processes. By doing this, you end up with committing that same error a thousand times faster, and we've seen this happening in a lot of our customers because the overall IT maturity is not at the level which enables you to be entirely sure that we can automate a certain part of the lifecycle.

So, the key approach we've been advocating is breaking the whole IT sphere into what we call the "P2T2 square," which is people, process, technology and tools. We believe automations for each of these areas are very different. The big challenge today, and where there's a dire need in industry from a technology perspective is to get reporting or to get relevant data to the business, which is not technology data but IT business data. I think some automation or some kind of delivery of right information has to happen at that level.

ST: We have moved and evolved to a time where people are using a variety of methods and frameworks in order to

achieve service excellence. What predictions can you make about where service management technology is headed over the next two to three years?

YD: I don't think there are any predictions to make for the future because it's already happening with V3. I think it's going to be more customer-centric and business-focused. We're going to see a big drive, shift and focus around how to support the business. IT is going to drop off of the ITSM and people are going to start treating this in service management processes. IT is going to be a leader within the organization of how to automate service management processes, which is going to be coupled with business-oriented and customer-facing approach to service management. All of this is good stuff and shows signs of maturing, and ultimately, it's all about IT becoming an integral part of the enterprise.

KK: I think we as an industry need to wake up and realize that we are still a stovepipe organization in the way we run IT like a business. Two paradigm shifts must occur with our technology: When looking at IT as a business, there is no platform or enterprise resource planning (ERP) today to run IT. A platform is needed to run IT like a business. I think that's where we should see further investments and developments.

An overwhelming amount of complicated data poses the challenge of integration when putting all these tools in together – not just in IT operations, but the whole lifecycle from the enterprise architecture, metadata down, up to the quality and operations. I think we've been seeing some roadmaps from a lot of vendors, but I think there has to be a dire need in the future to really get a platform which will help in creating a common data model and a common engine framework to run IT like a business.

DC: If IT is going to need business systems to run more like a business, then certainly the business is going to start using IT management tools to manage a lot of the business components. The reason for this is simply that the business components and processes generally tend to use a lot more technology. So the way in which you automate the business tends to mean that you're going to need ITSM tools to manage those processes and services. I think we're going to see a lot more use of IT management philosophy and technology in managing business processes.

I also think we're going to see a lot more convergence of service management technology. There are just so many solutions and point solutions and bits and pieces out there, but we've started to see a lot of those coming together through mergers and acquisitions. I think we're going to see a lot more of that happening into the future as organizations look for integrated service management solutions. Furthermore, I think we're going to see a lot more successful service management implementations as people begin to understand the relationship between the tools they're using, the services they're delivering and the business objectives they're achieving. The key to make all of this possible is: The people are involved in driving toward higher quality service and a better way of integrating IT and the business.