

Digital Fuel Integrates Key Service Management Functions

Abstract

On May 5, 2008, Digital Fuel announced ServiceFlow™ 6.0, a new release of its customer-facing service management solution. This solution tightly integrates ITIL-based Service Catalog, Service Level Management and Service Financial Management capabilities to enable enterprises and commercial service providers to deliver business-optimized services. This combination of capabilities is essential for running services as a business, whereby organizations design, deliver and financially account for services from a customer and business perspective.

Event

ServiceFlow 6.0 introduces enhancements across the entire suite, including ITIL process automation with a new user interface, improved workflow management, user empowered reporting capabilities, and predefined ITIL content. ServiceFlow is comprised of three tightly integrated applications that take a business-driven, top-down approach to managing business services rather than a technology driven, bottom-up approach to managing technical components. This allows IT organizations to efficiently manage a portfolio of services, align with business objectives, measure performance, and financially account for services:

- **ServiceFlow Catalog** allows service organizations to manage and publish all service offerings and their attributes, and to manage the service request/ordering process.
- **ServiceFlow SLM** enables service organizations to define and proactively manage, monitor, review and forecast all service level commitments.
- **ServiceFlow Finance** gives service organizations the ability to determine service costs, set appropriate service prices and control service usage and spending.

Digital Fuel's ServiceFlow application suite supports and enables more flexible adoption of industry standards such as ITIL v3, COBIT, ISO 20000 and eTOM, for organizations moving to a service management methodology.

Context

Modern Service Catalog products transform IT assets into a portfolio of manageable business investments and improve both user productivity and IT service quality, often with tangible cost reductions. They have evolved from their initial function as a document instructing users whom to call for service, into distinct software systems providing users with information, access and control over the services on which they depend. Service Catalogs align IT with business needs and automate IT operations by providing views for three primary groups: IT, business and users. Service Catalogs that allow users to perform one-time transactions are highly visible. However Service Catalogs that also allow business unit leaders to subscribe to services for ongoing consumption across their business unit are even more valuable.

Service Level Management (SLM) is the process of setting, measuring and ensuring the consistent achievement of IT service goals. SLM

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helps ensure that the committed targets for service success – such as performance, availability and quality – are being met. Service Agreements (SLAs, OLAs, and underpinning contracts) are a key component of SLM and describe services in terms of content, cost, timing, quality, and other attributes. SLAs also help clarify expectations between the provider and consumers of services.

Service Financial Management (SFM) involves defining, monitoring and reviewing budgets and the actual service consumption in the context of services rather than simply in the context of capital expenditures and departmental spending. For commercial service providers, SFM also includes relating revenue to service costs for profit and loss analysis. For some enterprises, SFM addresses internal cost allocation based on actual service usage and/or relating business benefit to service costs for return on investment (ROI) analysis. SFM helps organizations deliver an optimized balance between high service levels and low service cost.

Key Ramifications

Leading IT organizations have realized their value is ultimately delivered through services that deliver what is expected by their customer and the overall business. ServiceFlow 6.0 helps services organizations design, deliver, and financially account for services in a way that aligns with their business goals. Organizations adopting ServiceFlow 6.0 are able to deliver and manage services from a customer and business perspective and leverage existing software tools that manage the technology such as servers, storage, networks and databases, and the service desk. By managing services from a business perspective, Digital Fuel's Service Catalog, Service Level Management and Service Financial Management Software Suite drives higher service levels at lower cost.

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ENTERPRISE MANAGEMENT ASSOCIATES® (EMA™) research has found that 88% of IT organizations are currently moving toward managing services rather than just technology components. However, only 36% are using service-focused processes and toolsets to manage services. IT organizations that have invested in bottoms-up technology management products and solutions have the opportunity to move more quickly toward a service management methodology with ServiceFlow 6.0. For example, existing technology focused management tools can be easily integrated and leveraged by ServiceFlow to dynamically capture and aggregate component data, turning it into service and business health measures.

The combination of ServiceFlow Catalog, SLM and Finance capabilities allow service organizations to communicate what services are available, how well they are performing and how much they are costing. As an integrated suite, ServiceFlow 6.0 lets IT organizations continuously align services with business goals and objectives – a critical step in evolving from basic systems management to real business services management. Digital Fuel's solution can also be used to manage non-IT services including human resources, Telco, and financial and accounting services within an enterprise.

EMA Perspective

Businesses are increasing their dependence on business-critical services. At the same time, their tolerance for service variability is decreasing. The service management methodology, whether through ITIL processes or other best practice frameworks, reduces this unwanted

variability even for highly complex services. Practically, this means IT must focus on standard service offerings delivered in a consistent and timely manner. This in turn requires a shared service support and delivery infrastructure with a strong process orientation. Digital Fuel's combination of the Service Catalog with Service Level Management and Service Financial Management is a powerful solution for reducing variability and driving consistency across services.

Digital Fuel has found a product mix that serves a critical set of needs for organizations adopting service management methodologies, including those that want to run services as a business.

Service definition occurs first at the ServiceFlow Catalog, providing users with the name of the service, description, pricing, and performance levels with a single, easy-to-understand interface for requesting new IT services and managing service subscriptions. Digital Fuel's integrated ServiceFlow solution takes the next step and easily incorporates service level management, demand management, and financial management. ServiceFlow SLM helps ensure service level commitments are defined in alignment with business requirements and then continuously monitored with proactive alerts and root cause analysis to ensure service levels are maintained. ServiceFlow Finance enables business units to see service costs by multiple dimensions including user, service, geography and others. This empowers business leaders to analyze usage and adjust it to drive the highest impact on their business. The service delivery group can similarly analyze service costs

to set prices based on real service costs and usage. Accurate cost information provides the basis to recover those costs through appropriate pricing. The integrations between the ServiceFlow Catalog, ServiceFlow SLM and ServiceFlow Finance applications enable business-critical services to be delivered and supported with controlled costs and standardized service levels.

By adopting the service management methodology supported by ServiceFlow 6.0, IT service organizations, and the business and users they serve, all gain value as follows:

- IT operations are standardized and streamlined, dramatically decreasing the time to deliver services while increasing the quality of services delivered.
- Senior business and IT leaders gain demand management and governance capabilities which support controlled service usage. These capabilities also support investment in what matters most, from addressing service issues prioritized by business impact to funding IT projects based on risk and value, not simply cost.
- User productivity is improved through simplified access to IT services, visibility to IT request status and appropriate setting of expectations.

Digital Fuel has delivered a solid track record of revenue and customer growth with over 500 ServiceFlow customers, including British Telecom, Cisco, Computacenter, CSC, Cummins, Dell, General Electric, IBM, Nestle, O2, Procter & Gamble, Siemens, SITA, Sprint, Steria, Telefonica, Telus, WiPro and others. More importantly, Digital Fuel has found a product mix that serves a critical set of needs for organizations adopting service management methodologies, including those that want to run services as a business. The combination of Service Catalog, Service Level Management and Service Financial Management applications found in ServiceFlow 6.0 is no accident. Leading IT organizations depend on each of these capabilities to deliver high quality, cost-effective, business aligned services to their users.

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