

Service Catalog: Are you the Master or Slave?

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This white paper explores the art of Service Catalog Management, how to create, and how not to create one, the challenges, benefits and 5 top tips on setting it up and improving it.

Table of Contents

Foreword	3
What is a Service Catalog?	4
Why is a Service Catalog important?	8
Challenges of setting up a Service Catalog	9
Industry best practice – some practical advice	10
Getting started or improving a Service Catalog	11
A real life example	12
Return on Investment (ROI)	14
5 tips for implementing a Service Catalog	14
About Axios Systems	15

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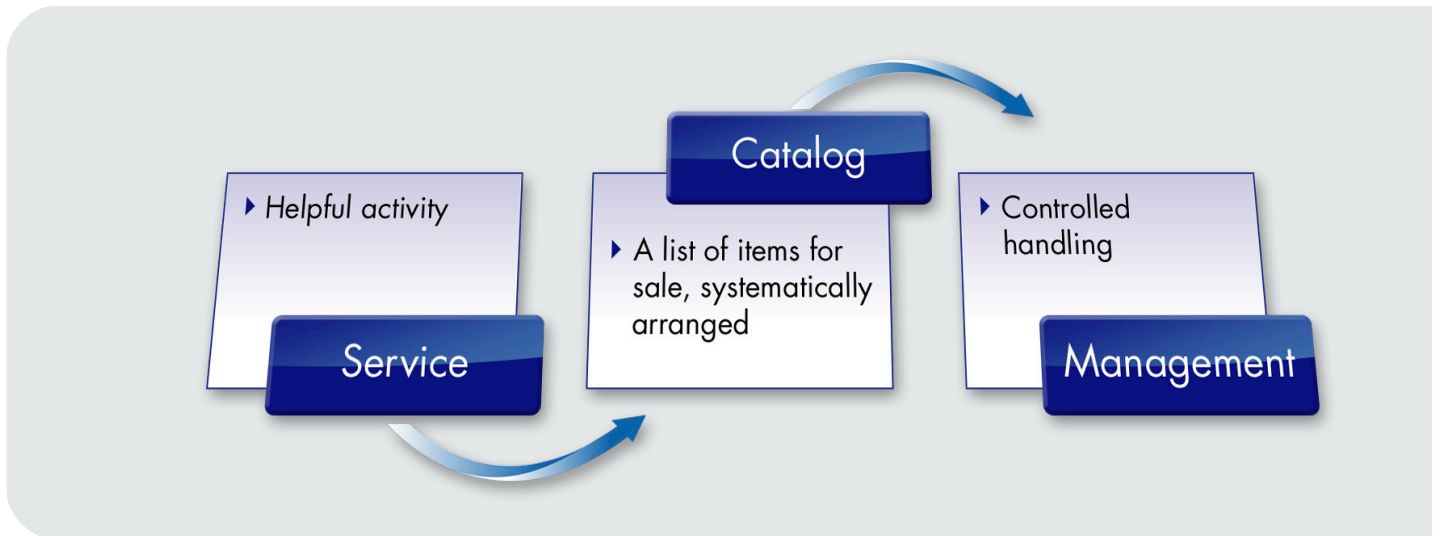
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Foreword

Service (sur-vis) - An act of helpful activity; help; aid: to do someone a service.

Catalog (kat-l-awg, -og) - A list or record, as of items for sale which are systematically arranged and often including descriptive material.

Management (man-ij-muh-nt) - The act or manner of managing; handling, direction, or control.



A Service Catalog is the means by which we, as IT service providers, articulate what we can do for our business customers. It seems a simple enough concept yet so many of us get it wrong over and over again.

In fact, the quality of a Service Catalog can make or break our credibility to the business. The power of provider value, service value and what differentiates you from your competitor can lie in the simplicity, accuracy and how you represent your services – within your Service Catalog.

What is a Service Catalog?

The IT Service Management industry best practices teach us that the single most important thing we must do right is to provide value to the business. Otherwise, there is no reason for us to expect the loyalty of our customers. Doing this important task involves a few principles that do not change regardless of what services we are providing to the business. We must:

1. Articulate our value in business terms that our customers understand.
2. Be able to demonstrate this by measuring and reporting this regularly to the business.
3. Understand the business needs and be responsive to changes.
4. Provide services that are cost effective, relevant and reliable.

There is an old saying that “you can’t manage what you can’t measure”. While this is still true today, it should also state that if the business doesn’t see the connection to WHAT we manage and measure, then it becomes an irrelevant exercise. The Service Catalog is the means by which we articulate WHAT we manage and measure. It is the hidden power of how we set the customer’s expectations and exceed them.

If you are shopping for a garment, you aren’t likely to ask or care about:

- How many people did it take to make this?
- How was the fabric chosen?
- How many of these were made in this color?
- How long did it take to make?

What you really want to know is how it will work for your needs:

- Does it suit my purpose?
- Does it come in my size?
- Is it washable or does it need dry cleaning?
- Is it within my budget?

A Service Catalog is intended to show the customer how the product suits their needs.

2-button adjustable cuffs
Available in white, blue, red and black
Permanent press and wrinkle resistant
Fused collar to stay in place
Cotton fabric for breathable comfort
Machine washable
No ironing needed



Knowing your customer needs

In the above example, there are a few characteristics of the shirt that will be important to some customers, not critical to others, and not at all important to yet others. This indicates that how a customer uses a service is as important as the service itself. The last two characteristics – machine washable and no ironing needed – will be absolutely critical to a customer who prefers to self-laundry their shirts. Others may prefer to use professional cleaners and so this is an irrelevant part of the service for them.

For the seller of the shirt, knowing this allows them to cater to individual customer needs by emphasizing service characteristics that appeal to the business need and therefore provide value, while using the same service to appeal to another customer's needs in a different way.

So, how the service is depicted in the Service Catalog carries a major significance for appealing to customer needs. This will not only please existing customers but may be the reason new customers are attracted to you as a service provider!

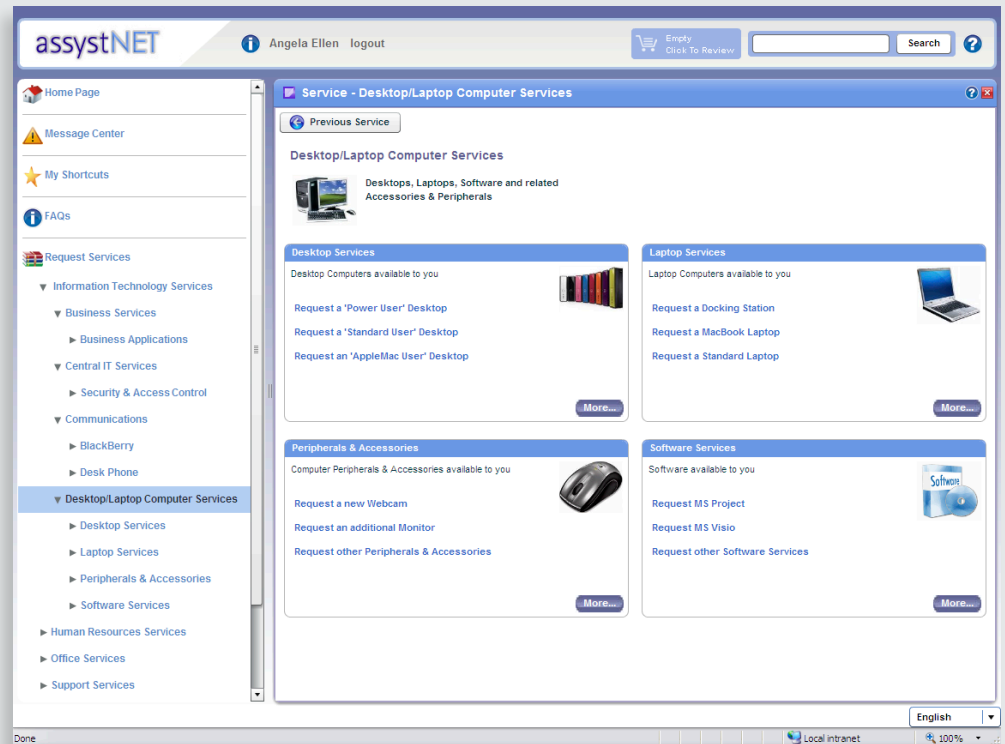
ITIL® defines a Service Catalog with two aspects, and although while not specifically defined in ITIL as an element, access to the Business Service Catalog through a User Request Catalog can also be provided in a variety of ways that suit the provider's customer base:

1. **The Business Service Catalog** – defines the IT services delivered to the customer together with the relationships to the business units and processes.

This is the business customer's menu. It describes what is on offer, when, and how much it costs. An IT service provider can illustrate services in a variety of ways such as core services, service packages, bundled services, etc.

2. **User Request Catalog** – as part of maturing ITSM practices, many providers have self-service offerings that provide access to knowledge, services and support. For example, many business customers are familiar with online shopping and can benefit from a web-based User Request Catalog for those services that the business prefers its users to select from on an ad hoc basis. There are increasingly innovative ways that service providers use to make their Service Catalog available and interactive for the business customer.

The User Request Catalog provides a familiar shopping cart environment to increase customer adoption



How it is structured and presented varies among customers and technologies, however there are some common elements that any organization using best practices should consider part of their Service Catalog:

- a. **Service Description** – what the service is in business language.
- b. **Service Levels** – to avoid misunderstandings, every service in the Service Catalog should clearly describe the agreed service levels.
- c. **Support** – every service should describe how the business customer should report problems or make requests.
- d. **Service Conditions** – this should set the expectations for any specific terms of usage and operational maintenance and change periods.
- e. **Cost** – every service should establish its cost, whether the organization's financial model is to charge the customer or inform the customer of its cost to deliver.
- f. **Features and Functions** – a brief description of the features and functionality of the service. It's wise to describe these in terms of the value these bring to the customer.
- g. **Related Services** – links to other areas of the Service Catalog that provide complimentary services that the customer might find useful, or that form part of a core service package.
- h. **News or Alerts** – this can help customers be aware of pending changes, maintenance activities or enhancements to the service that are planned. This can also include new services that are planned.

3. **The Technical Service Catalog** – defines the technical view of connecting supporting service components that underpin the business service. Sometimes called the “IT view,” this area of the Service Catalog assembles the constituent components that comprise a service and ensure they are mapped to fulfilling a business process need.

This area of the Service Catalog will often be virtual rather than physical and will link to various repositories of information such as the Configuration Management System (CMS), Service Level Agreements (SLAs), Operational Level Agreements (OLAs), Security and Access information, active directories, service utility and warranty information, etc.

The business customer should never need to access this level of the Service Catalog. Its value lies in helping IT to connect the components of each service from end-to-end.

Why is a Service Catalog important?

There are many reasons why a Service Catalog is important but among the most compelling are that it:

- establishes a clear view of what you can do for existing AND potential customers.
- creates a common understanding of what a service is, and what characteristics it has.
- illustrates your unique style and differentiation from competitors in service offerings.
- allows you to develop core and customized service packages for your customers, thereby providing greater value and to identify services cost efficiencies.
- provides a basis for understanding business demand patterns which are then consistently interpreted from a service view.
- provides a platform for users to self-serve and request services.
- sets expectations about how services should be used and how much they will cost. It reflects how much the service will cost, not the price of components.

Service Catalog benefits

No matter the size or complexity of your Service Catalog, if you follow best practice advice, your Service Catalog will provide significant benefits. It will:

- help manage your customer expectations by providing clarity on what you do and don't do for them as well as what you include and don't.
- help manage services from a business-focused and business-based delivery mindset.
- allow you to document and manage services from an end-to-end perspective and capture the true cost of service provision.
- allow you to demonstrate your ROI to the business customer.
- demonstrate a professional, responsible approach by IT to service management from the business value perspective.

Most importantly, having a well structured and functioning Service Catalog can link business needs directly to IT services and then into the technical infrastructure. This improves the awareness, understanding and positive cultural behaviors that make effective Service Value Management possible.

If you struggle to understand your business customers, to keep their loyalty and satisfaction, or you need help attracting new customers, a Service Catalog could be your next major step in achieving IT service excellence.

Challenges of setting up a Service Catalog

Thinking a different way

For many IT organizations, setting up a Service Catalog requires them to think in a different way. Services become more about the business need than about the underpinning technology components. IT must talk to customers, and see services from a non-technical standpoint. This can be a challenge but one that must be overcome to get a meaningful Service Catalog in place. The first way this manifests is in defining services themselves. This must be understood, agreed and represent a business-defined view. Service Catalog technology solutions which require a standardized definition should be considered as they help to ensure that both the business and IT are consistent as services are created and modified during their service management lifecycle.

Avoiding tool blindness

There are a lot of technology solutions in the market that can help with Service Catalog Management. What none of these tools can do is replace your knowledge of the customer and what appeals to them as value. Tools are critical to automate, present, collate and trend information, but without the investment of customer knowledge, feedback and a sense of commitment to Service Catalog Management, tools will not provide the innovation and differentiation that they should.

Adoption and use

This applies to both the customer and to the IT organization. The spirit and intent of a Service Catalog is to live up to the customer's expectation by providing the services and quality that are stipulated in it. Too often, a lack of customer understanding or acceptance that the Service Catalog represents the definitive available services, or worse the lack of awareness by the IT organization that this is what the customer pays for, no more, no less. This invites customers to expect more than they pay for, and for IT organizations to try to deliver it.

The above situation is purely cultural and driven by behaviors that support the idea that the Service Catalog is just a document and if those needs go beyond what is in it, then either party will do its best to meet an unrealistic expectation. This has consequences that go well beyond poorly managed expectations. These behaviors have a tangible cost to IT and to the business bottom line.

Industry best practice – some practical advice

The Service Catalog should be considered a critical asset for IT and for the business. It should be the place that both the customer and provider refer to when considering business needs. It is best managed as part of overall Service Portfolio Management and should link through the IT service lifecycle. Often, a Service Catalog initiative will be started as a project. This is a good point to consider soliciting the help of independent experts who can conduct a workshop to help set the objectives and scope. An independent view will also help establish an open, neutral way to share ideas and possibly conflicting views.

The validity and usefulness of the Service Catalog relies on a solid foundation of information and management. Keeping the Technical Service Catalog current and mapped to the Business Service Catalog will require links to other types of service information within the service lifecycle.

Table : 1
How the Service Catalog links to the different elements within the IT Service Lifecycle.

Service Lifecycle	Dependency	Information
Service Strategy	Service Portfolio	New services in the pipeline being considered Retiring services transitioning out of supply
	Demand Management	Links to usage trends and necessary changes to the Service Catalog services and terms of use
	Financial Management	Links to service costing, supplier side costing and service models
Service Design	Service Design Package	Links to the service structure, features, details, customer information, service utility and warranty
	Service Catalog Management	Responsible to update and manage the Service Catalog itself
	Service Level Management	Links to SLAs, OLAs, supplier contracts and reporting
Service Transition	Service Asset and Configuration Management	Direct links between the Technical Service Catalog and the CMS for component, dependency and service asset information
	Change Management	Direct links to service warranty and services transitioning in and out of supply as well as to maintenance of the Service Catalog itself
Service Operation	Service Desk	Every service in the Service Catalog should provide information on how to get support, make requests, ask questions and provide feedback
Continual Service Improvement	Service Measurement	The Service Catalog should link to the organization reporting such as a Balanced Scorecard
		The Service Catalog should form part of the service provider's CSI initiatives and solicit feedback from customers about what improvements will strengthen its use and value

Getting started or improving a Service Catalog

Developing a Service Catalog does not need to be a massive undertaking all at once. Follow Service Design practices to ensure that all requirements are understood and a formal process is used to design the Service Catalog. Planning is the first and most important step. Whether you want to incrementally build your Service Catalog or go for a big bang, there are some critical steps along the way that you are wise to include:

1. **Carry out a Service Catalog workshop:**

- a. Ask the right questions.

Who are your customers?

What are their most important business processes?

Are your services mapped to those?

Are your services currently defined?

Do you have SLAs for your services?

- b. Involve your business customers.

Before you do anything else, talk to the business about what they would find valuable in a Service Catalog. Understand how your customers use the service. Too often, IT specialists believe they have all the answers only to find out they did, but not to the right questions!

- c. Agree on the definition of a service.

Vague or convoluted definitions do little to help your customer understand your value. Be straight forward, use plain language and be consistent. A standard format for service definitions should be used to ensure that over time, definitions are consistently used in accordance with how they have been agreed.

- d. Organize the information you already have.

List the existing services you have and map these to your business customers. Classify services according to how they map to business processes. This is a great beginning to the Business Service Catalog.

2. **List the dependencies each service has to:**
 - a. Third party suppliers
 - b. Service levels
 - c. Business criticality
 - d. Customers
 - e. Processes
 - f. IT components
3. **Decide usage parameters** such as who will have access to the Service Catalog and by what means, who can authorize changes to it, how often and how they are made.
4. **Start with a reasonable number of services first.** Focus on some of the more critical business processes to test your structure and usability.
5. **Make sure you know your requirements before investing in automation tools.** Be innovative. Think about linking indirect IT services to the Catalog as well. This compels the customers to rely on a Service Catalog for all their needs.

A real life example

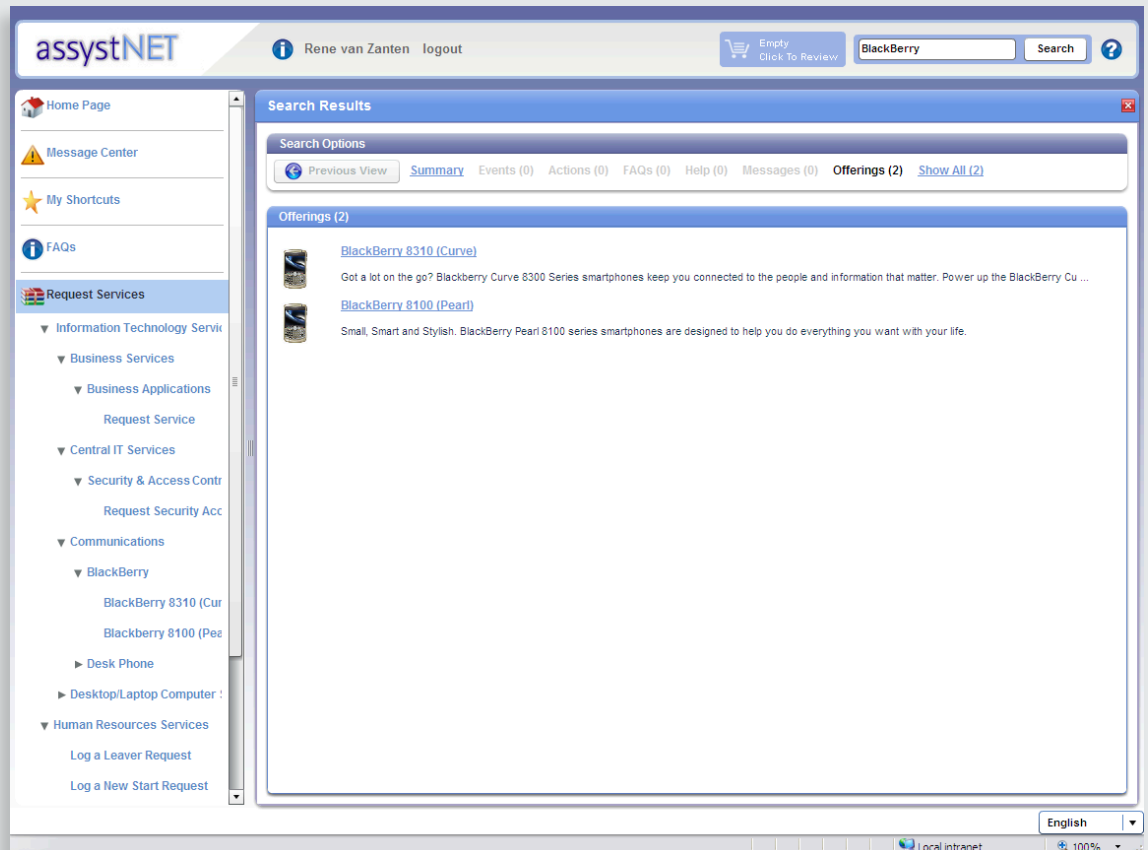
As with any ITSM improvement initiative, it is critical to avoid the notion that all ideas must be new ones. The most successful companies use a Service Catalog and start by gathering experience from what is already within their organizations. The cultural shift can be made easier by adapting already good practices. Many companies have adopted Service Catalog structures from the business itself and how they promote their services to the end customers. I have often guided some of my own customers to use this method and one in particular had significant positive results in a short time frame.

Using existing best practices

The business has a customer Catalog that is very sophisticated and popular with end customers. The business has refined it over many years and customer satisfaction surveys reveal that one of the most appreciated benefits customers enjoyed was the un-cluttered, concise, and consistently structured Catalog.

The business customers reported that it was easy to find what they needed and all the information they needed to make a choice was provided. Each item was organized and presented in an intuitive and consistent way, and could be tailored to the specific customer profile. It was a predominant reason that customers remained customers!

Users can access information or services available to them in a number of ways



Adopt a style useful to the business

The IT organization wisely chose to adopt this style and requested the business become part of the project team to help them adopt this. This made the agreement on service definitions, content, and structure much easier to gain, since the business was familiar with the concept. The IT organization was able to utilize existing base structural specifications and to test the concept using the business test environment. Additionally, the IT organization was able to expand the scope of the Catalog to non-IT services and to leverage the technological platform already supported by IT for the business customer Catalog.

The organization has achieved the following benefits:

- . Consistent look and feel for the Service Catalog that the business was familiar with.
- . Lower implementation costs by leveraging base structural architecture, platform and delivery model.
- . Quick buy-in for the concept and the use of familiar definitions and language.
- . Greater efficiencies by expanding the inclusion of non-IT services.
- . Re-use of already successful support and Service Level Agreement models.
- . Greater awareness and acceptance by the business of IT service needs for clear, consistent and committed use of the Service Catalog.
- . Rapid ROI through cost-effective development and implementation time.

Return on Investment (ROI)

Today, most service providers are under constant pressure to demonstrate their value to the business and to demonstrate an ROI. A Service Catalog can accelerate ROI by promoting standard, core and specialized service packages and avoid ad hoc service activities that are commonly seen where the customer is not familiar with what IT services actually are. There are years of published evidence showing that the single most expensive part of IT cost of ownership is managing the unscheduled, undocumented and unplanned support activities.

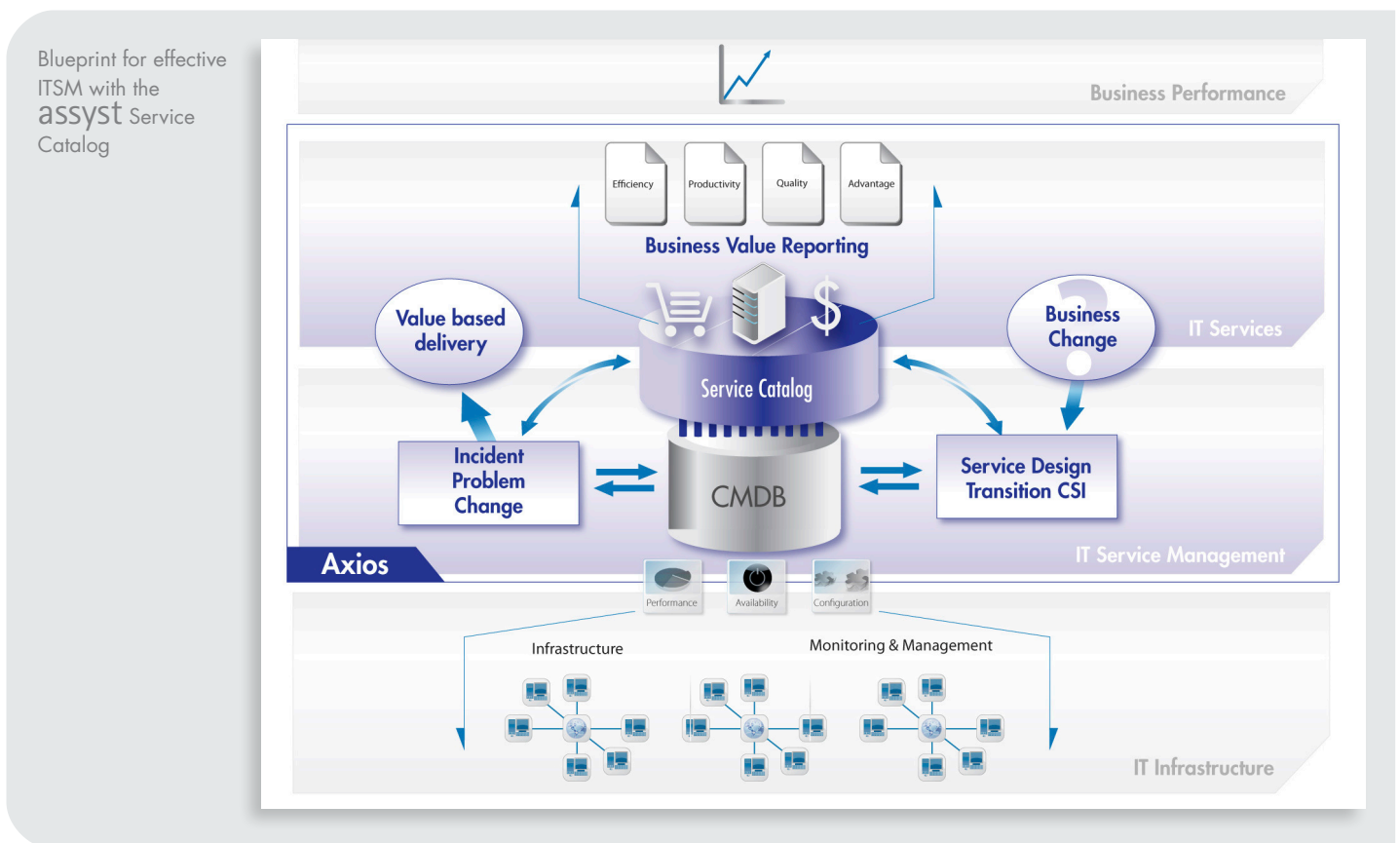
5 tips for implementing a Service Catalog

In summary:

1. Carry out a Service Catalog workshop:
 - a. Ask the right questions.
 - b. Involve your business customers.
 - c. Agree on the definition of a service.
 - d. Organize the information you already have.
2. List the dependencies each service has.
3. Decide usage parameters.
4. Start with a reasonable number of services first.
5. Make sure you know your requirements before investing in automation tools.

About Axios Systems

Axios Systems is the world's leading independent provider of IT Service Management (ITSM) solutions. We understand that Service Level Management and Service Catalog in particular are the keys that unlock the value to ITSM processes. In response to this, we have launched our assyst Service Catalog offering, which can be fully integrated with the assyst ITSM toolset and offers end-to-end lifecycle management of services. It is directly linked to the assyst CMDB – providing clear relationships between the IT infrastructure and business performance, by defining business and process-based bundles of IT components as 'services'.

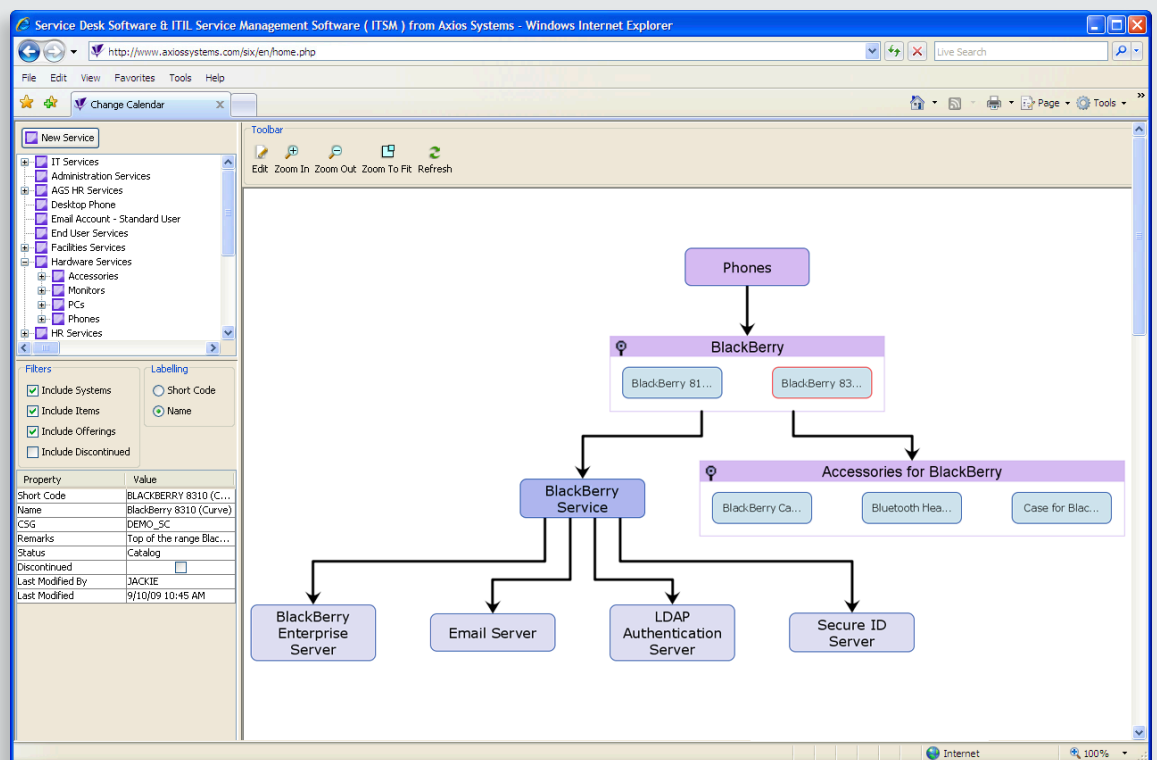


The assyst Service Catalog can reduce costs to the business through standardization of services and streamlining the fulfillment processes. This also reduces risk through governance and controls, thus ensuring compliance with corporate policies. These factors have become increasingly more prevalent for organizations in recent times.

A key differentiator in the Axios offering is the assyst Service Designer, which is a powerful and intuitive design tool to quickly model services and offerings in line with industry best practice. It provides users with pre-defined 'standard' service templates to build services, using components and systems from the CMDB (this includes 'front-end' activities via the User Request Catalog, in addition to 'back-office' functionality for fulfillment using workflows and the assyst Process Designer). These templates facilitate the creation and rapid deployment of new services, which can then be bundled together to simplify the ordering process for customers.

- As it is linked directly to the CMDB, a graphical representation through the Impact Explorer can show the mapping of relationships between services and the underlying infrastructure.
- Pipeline services can be built within the Designer, then published to the relevant users.
- Provides a fast track to managing and optimizing IT 'services' rather than systems management – so you can deliver value in days.

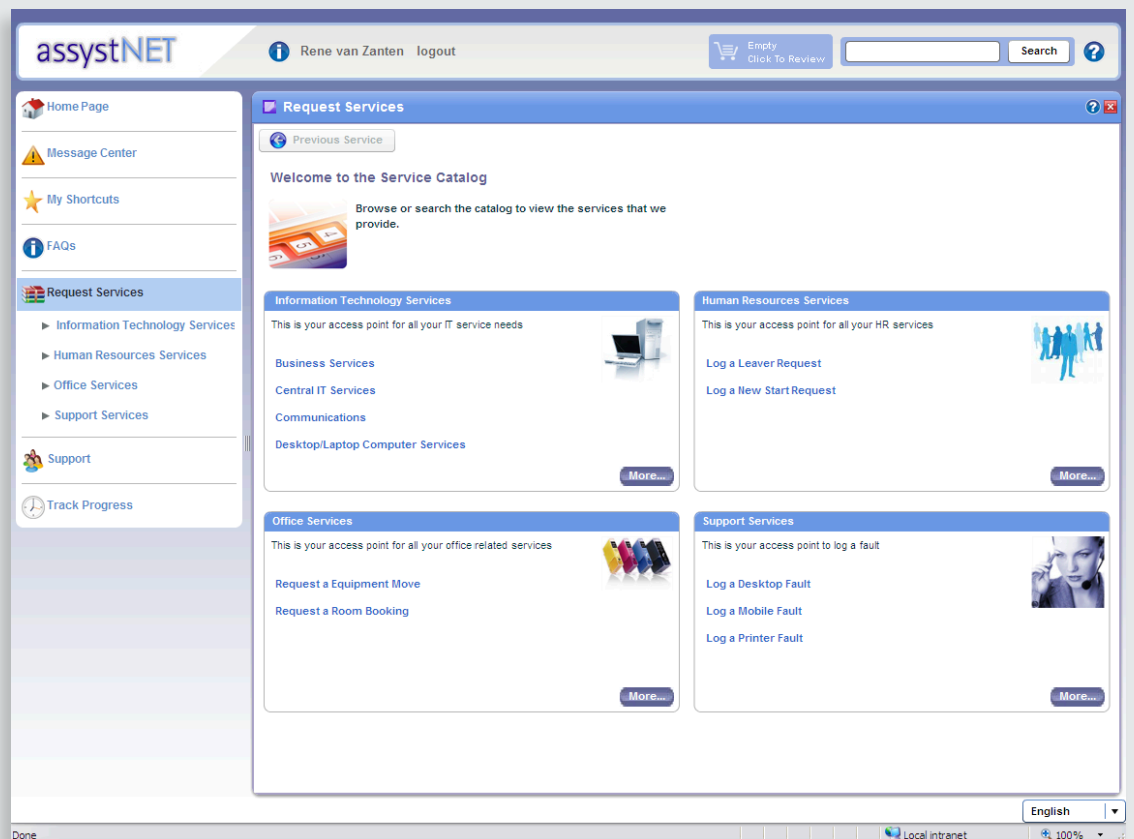
Services can be linked in the Service Designer, which enable users to quickly build a hierarchy of services and offerings to aid visibility and control.



The assystNET self-service portal acts as the User Request Catalog within assyst and offers an intuitive and progressive retail experience, where customers can easily understand the services available to them, with clear and predictable costs and delivery timescales:

- It is a one-stop-shop for end users and provides a familiar retail 'shopping cart' style experience, which quickens adoption as well as the ability to track the progress of requests. The customer only sees the services that are relevant to them.
- Once a request is submitted, a Request Fulfillment process is triggered, which handles authorizations and interaction with multiple teams, through to delivery of the request.
- The flexible ASSYST Process Engine enables requests to be fulfilled efficiently, while insuring appropriate levels of authorization and control.

The User Request Catalog can be used for IT and non-IT services, including HR.



Since the Service Catalog is fully integrated in the assyst ITSM toolset, IT support staff use the same tool to fulfill requests as they do for their day-to-day support work and there is in-built flexibility, as it can be used for all types of services e.g. IT, HR, Facilities Management, etc.

For more information, please visit our website: www.axiossystems.com, or email: assyst@axiossystems.com.

About the Author

Sharon is well known and respected in the ITSM global community. She is the former Chief Architect for ITIL and President of the Aspect Group, a North American based ITSM practice provider of training, consultancy, assessment and best practice implementation.

Sharon also holds the positions of ITIL V3 Chief Examiner and Chair of the itSMF International.

Sharon resides in Canada and has made many contributions to ITSM over the past 15 years as an author of ITIL, white papers and various ITSM publications. In 2008, Sharon was awarded the prestigious IT Service Management Lifetime Achievement Award. Her work is known across many continents.

Additional Resources

[Service Catalog webcast - Service Catalog implementation: 5 top tips](#)

[Service Catalog workshops - on-site and public](#)

[Service Value Management webcast - changing gears from operation to optimization](#)

[Service Value Management - A Business Imperative white paper](#)
[assyst Service Catalog flyer](#)