



WHITE PAPER:

Selecting the right consultancy to support your ITIL initiative.

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Introduction

Many Consultancies claim they have the experience and expertise needed to effectively implement the Information Technology Infrastructure Library (ITIL) approach to managing IT services. But just try to find a consultancy with the right level of experience and expertise and you will find they are few and far between. As of the end of 2004, Gartner Research estimates that globally, there are fewer than 200 ITIL-certified (beyond Fundamental level) and practicing consultants with more than three years' experience in ITIL implementations. However, there are few Consultancies with the experience who can really add value to your company's ITIL project initiative. This document is meant to help you identify the evaluation and selection criteria needed to develop a best in class ranking of constancies claiming to provide ITIL implementation services and support based on the each vendor's **ability to execute** and **vendor's visibility**.

In selecting the right consultancy to support ITIL implementation initiative companies must be cautious and develop the right evaluation and selection criteria before engaging a consultancy. Companies implementing the Information Technology Infrastructure Library may unwittingly engage an inexperienced ITIL consultancy to undertake a project that has significant risks associated with it. Organizations need to pay close attention to the specific ITIL experience of each consultant working on their programs. Because of the scarcity of truly experienced ITIL consultants, Companies should focus their consulting budget on a small number of experienced consultants and use them strategically in a phased development and implementation program, rather than using a larger number of inexperienced consultants to implement the entire ITIL framework in one big-bang global program across the enterprise.

Background Analysis

The Information Technology Infrastructure Library (ITIL) has been around since the mid 1980s, and is well established in many parts of Europe. IT organizations in North America, Scandinavia and parts of Asia/Pacific have suddenly taken a keen interest in ITIL. They are being driven by a strong desire to: improve their operational environments as a result of keen market competition, increase user expectations, improve credibility with the business, improve availability, and manage increased complexity, and governance and compliance (e.g., SOX). IT organizations have also tried, and failed, to implement IT network operations and systems management software tools without having sound processes. Therefore, a key endeavor is to improve core processes and integrate with technology and the organization enhancements ("people").

The demands for ITIL consulting and educational services have always been small but steady. As a result, they have been dominated by small, specialized consulting companies like QWR, CEC Europe (now part of Hewlett-Packard), Manage One (now part of Hewlett-Packard), Fox IT, PinkRoccade and Pink Elephant and Covestic.

The bigger consulting companies like PA Consulting Group, Fujitsu, IBM and Hewlett-Packard have long had small IT service management, ITIL consulting and education

practices, but with only a handful of experienced consultants. Some consulting companies also developed their own service management frameworks, but have gravitated toward using ITIL — or have based a substantial part of their framework on the ITIL Framework. Gartner estimates that, globally, there are fewer than 200 ITIL-certified (beyond Fundamental level) and practicing consultants with more than three years' experience in ITIL implementations.

Many organizations and vendors have trained their staff in the foundation ITIL course, but this does not make them experts in practicing and implementing ITIL. The current wave of interest in ITIL means that, so far, demand has far outstripped supply in 2004. As a result, finding an experienced ITIL consultant to work on a Business/IT process engineering program will be very hard, very expensive, or both. This is likely to remain the same for the next 18 months to two years. Gartner would always advise selective and focused use of consultants on ITIL implementations.

It's sensible to use consultants to help with planning, program and change management, building education and awareness programs, reviewing the service model and adapting tools. But using large numbers of consultants to "do" ITIL is almost always a bad idea because the bulk of those consultants will have had very limited training and experience in implementing ITIL and the technology tools and organization changes required for a successful implementation. And ITIL is a change in the way a company does business, the organization needs to be involved in program sponsorship and management to help gain buy-in from enterprise-wide stakeholders, and to achieve the behavioral change ITIL programs demands. ITIL consultants should be used strategically as consulting subject matter experts, trainers, process leads/developers, collaborators, and implementation facilitators, and not as ITIL implementation project managers.

IT organizations need to look carefully at the consultancies they are considering to support their projects and in particular the resumes of the consultants that will be working on their projects — and, specifically, at the ITIL and service management engagements they have worked on. If they have less than two years' real experience, the company needs to question the additional value these consultants will bring, beyond that of an extra pair of hands.

The Magic Quadrant

To help companies qualify and select from the key players in the marketplace capable of delivering experienced consultants, quality, and add value to their ITIL implementation initiative, we have adopted and executed Gartner's Magic Quadrant scoring methodology. The Magic Quadrant provides for development of vendor evaluation criteria that produces a best in class ranking based on **vendor's ability to execute** and **vendor's vision**. Each of these categories is supported by a subset of evaluation criterion that produces a vertical and horizontal rank which we then display using the Magic Quadrant. The following represent the evaluation criteria used to position each vendor in the magic Quadrant:

Vendor's ability to execute

1. Vendor Viability
2. Vendor Management Team
3. Integrity
4. Track Record
5. Functional Depth
6. Service and Support
7. Sales and Marketing

Vendor’s visibility

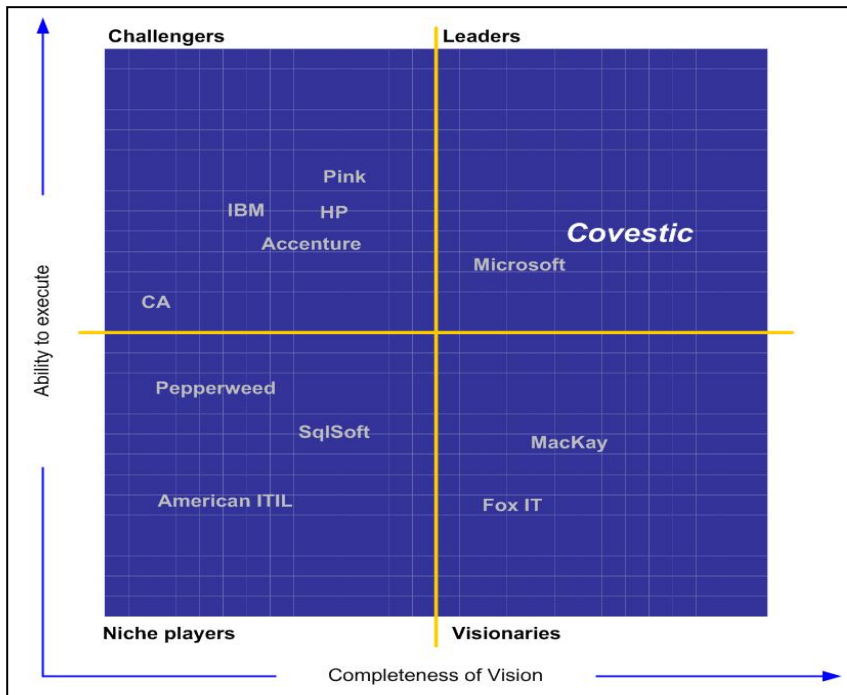
1. Package Breadth
2. Range of Platforms Support
3. Extent of Collaborative features supported
4. Discipline Specific Features
5. Vision of Technology
6. Service and Support

The following represents the services and support provided by key players:

(We need to create a chart that maps to the above evaluation criteria)

	Training	Baseline	Roadmap	Strategy	Implementation
Covestic	ITIL/MOF	ITIL/MOF	Prioritize comprehensive plan	Business Value, BPE, SOC, CPM	Process, Organization, Technology
Pink	ITIL	ITIL/MOF	2 day workshop	Training	Process
HP	ITIL	ITIL		Product	Software
IBM	ITIL	ITIL		Product	Software
Fox IT	ITIL	ITIL/MOF	2 day workshop	Training	Process
Pepperweed		ITIL		Product	Software
Accenture		ITIL/MOF		Training	Process
CA		ITIL		Product	Software
Microsoft	MOF	MOF	2 day workshop	Training	Mentoring
SqlSoft	ITIL/MOF			Training	
MacKay	ITIL/MOF			Training	
American ITIL	ITIL			Training	

The Magic Quadrant:



What are the right evaluation and selection criteria?

Evaluation Criteria

There are more than 14 vendors/consultancies in the market place touting experience and expertise in implementing ITIL. In selecting the right consultancy to support your ITIL program, your company must conduct surveys and vendor briefings, review services and product demonstrations and speak with vendor references to develop a best in class ranking of these vendors according to "**ability to execute**" and "**vendor vision**" criteria. Because we can only apply the criteria in a general way to produce a Magic Quadrant, we encourage users to apply them more specifically to their situations and consult with us for clarification as needed. To help companies do so, we have provide the primary evaluation criteria we use to position the market offerings.

Ability to Execute: *The vertical axis primarily involves six factors.*

First, we assess **vendor viability** during the three-to-five year planning horizon, examining such factors as the level of the vendor's revenue, revenue growth and profitability. Low or negative profits cannot be sustained over the long term, but can be offset in our analysis if revenue is relatively high or growing — that is, if profitability is achievable, and lower levels of profitability are due to strategic considerations, such as intensive research and development or merger and acquisition (M&A) activities. A substantial customer and/or installed base can contribute to vendor viability, as can strong investor support.

A second criterion is the **vendor's management team**. We assess its relative level of business experience and its understanding of IT services markets in general, as well as IT Systems Management ("ITSM") and related markets in particular. We also consider the educational levels of management team members.

Integrity is an important factor to examine in the vendor's dealings with its customers, suppliers, partners, press (and analysts) and employees. Hence, we assess the level of commitment of senior management to the company and to the industry as a whole.

Elements of the vendor's "**track record**" in ITSM and related markets require consideration. Many vendor solutions are integrated with technology tools enabling for automation of many ITSM process at the sub tasks level, clearly a differentiator in capability and ability to deliver practical solutions. When enhancements or new NSM or in-house developed applications releases have been announced or promised, the vendor's reliability in delivering them may be more or less consistent. Whether the vendor has kept pace with technology changes is important. ITIL processes require integration with network and systems management software tools for practical and successful implementation. It is important to leverage these investments to ensure that the tools and process integrate effectively to achieve the best results. The level and quality of support the vendor has provided to its clients is part of its ability to execute. Levels of customer satisfaction in these and other areas correlate with the vendor's track record.

The **functional depth** in the ITSM process implementations and how many of these implementations included integration with technology tool sets and organization enhancements required to effectively implement ITIL is another important factor. It takes 10 years to build a great ITSM consultancy — functionality tends to deepen over time, so that a broadly conceived ITSM implementation strategy/methodology matures and evolves with the expertise gained and lesson learned from each customer and project experience. The ITSM market has seen its share of "slide ware", that is, presentations regarding an ITIL framework implementation strategy's range of functionality, some of which may have been developed only superficially, if at all.

Service and support capability is important to customers: A vendor's vision critically affects its ability to provide great service and support. Vendors may scale back on support to drive profit margins, or they may find their capabilities stressed by a few major customers. Ensuring that such "marquee" clients' discounts are not so steep that extra support goes unfunded (with the result that it's drawn off from other clients) is a problem vendors don't always address effectively. Timeliness of response, the tenure of the support staff and the strength of service partners are important factors to consider.

Sales and marketing also affects a vendor's ability to execute. Although sales channels are important (for example, through systems integrators and NSM software tools vendors (e.g., BMC, IBM, HP FrontRange, etc), — a strong direct sales force is equally important, if not more so. An inexperienced technical sales staff, or one with too few resources, can cripple a vendor, as can an unrealistic reliance on third-party consultancies as a channel. To boost the vendor's ability to execute it is important for a vendor to invest in creating and maintaining a competent/experienced sales and

marketing force. This investment ensures that the vendor's sales opportunity pipeline remains full, marketing strategies are positioned to take advantage of market's demand for services and enables the vendor keep pace with ever changing technology and business requirements.

Vendor Vision: *The horizontal axis primarily involves seven factors.*

The first is ***package breadth***, in which we assess how a vendor's ITIL implementation solution extends (or will extend) beyond the basic or standard ITIL implementation framework, superficial planning features, allocation of resources, and tracking their time. This vision may not yet be fully realized: ***Functional depth*** is assessed as part of the ***ability to execute axis***, whereas we assess the sincerity of the expressed vision here. Some vendors see opportunity beyond the ITSM market as Gartner has described it, often with compelling notions that must be considered. Many vendors augment their ITIL implementation solutions' native functionality in support of key process integrations, such as configuration Management database ("CMDB") tool customization and deployment, organization reengineering, and the leveraging the company's investment in network and systems management software tools to achieve integrated process automation (for example, automating process touch-points/triggers between incident and problem management, change and release management, configuration and capacity management, SLA and availability management, etc).

A second criterion is the ***range of platforms supported***. In addition to the operating system environments (such as Windows or Unix), and specifically in the areas of NSM tools, configuration & capacity management, and HSL/DSL; platforms include mainframes, databases (such as DB2, Oracle and SQL), Servers; application servers (for example, Java 2 Platform, Enterprise Edition (J2EE) and .NET; and ERP systems from Oracle, PeopleSoft, SAP and others. Additionally, many vendors target a single platform such as server platforms (e.g., window, UNIX, Linux, SUN, etc.). ITIL process frameworks and supporting software tools are built to address the IT infrastructure at the enterprise level. The scope of the ITIL framework and the IT infrastructure it addresses not only comprises such physical platforms (ITIL terminology: Configuration Items (CIs)) as servers, mainframe, OSs, databases, software, networks, data centers, etc., but also considers logical platforms, such as business applications, services, departments, people (roles and responsibilities), business units, and the business itself. And it is important for a vendor to understand the range of platforms within IT and ensure that its vision establishes a foundation to identify, plan, control, track changes/status, audit/verify, and map the relationships and dependencies between all platforms to build and maintain viable solutions for its customers. A broader view of the market includes a range of target customers, industries, providing new clients with more industry experience, knowledge, and platform options and parallel industry trends.

An important dimension for many companies considering ITIL implementation is the ***extent of collaborative features*** that are included in consultancy's strategies and solutions for workflow integration, knowledge management, document handling and related functionality. Stakeholders from executives to team members should question vendors about their solution and require role-based access to incident ("IM") and problem ("PM") and change "CM" management information including status on

open/closed tickets, assignment status, and task status information, as well as workflows to automate IM/PM/SLA alerts and to approve changes. Increasingly, project-intensive organizations are demanding greater collaboration between process, technology and people. Hence, ITIL vendor solutions, including tools and applications that do not enable collaboration with third party solutions, products and strategies, or do not consider automatically route data, information and documents for alert, review or approval, for example, may not meet some customers' expectations.

Vendor ITIL solutions often provide **industry- or discipline-specific features**. Many vendors target multiple markets with ITIL implementation methodologies that share approximately 65 percent to 80 percent of such core features as ITIL assessments, gap analysis, planning, communication programs, ITIL training, process development/remediation, and production implementation. Additional features and functions which Companies should look for that differentiate vendor implementation solutions may target a specific disciplines such as translating six sigma business metrics and scorecard framework into IT Capability framework (such as Capability Maturity Model Integration). This facilitates effective communication of the business vision, plans, profitability goals, new services/products between the business and IT so that IT can effectively translate business requirements into IT requirements. Thus, IT enterprise is aligned to provide services and support based on business need and at acceptable costs. This approach enables the vendor to develop a accurate baseline of current performance, develop an effective transition roadmap for process, technology, and organization; and prioritize and implement a comprehensive plan, based on business value. Other differentiators include support for network and systems management software customization and implementation to support process automation; databases used to established configuration/capacity/SLA management knowledge repositories that reflects all business and IT infrastructure configuration Items ("CIs"), their respective relationships, business dependencies, costs, descriptive attributes, and resource/application/services usage and performance; and organization planning and re-engineering services to ensure the Companies' organization structure, people's roles and responsibilities are properly aligned with process and technology.

A vendor's vision of **technology and market trends** is key to its future performance. For example, the ways in which ITIL compliant software applications address process integration, process automation, communication management will evolve. Hence, vendors that don't evaluate and keep up with technology trends and innovations or fail to exploit technology into there ITIL implementation solutions may fall behind their competitors. Vendors slow to consider new ways of delivering services, as in using a subscription Web based services for business process automation, or CMDB/CMD/DSL and SLA databases for process integration and automation, or keep paces with the capabilities of third party ITSM products for network and systems management, etc could find themselves at a disadvantage. Companies considering any consultancy to support their ITIL implementation program should require technology currency.

The final vendor vision criterion involves **support services** — the vendor's level of commitment to providing integration, consulting, software, and other support is an important consideration. One measure of a vendor's vision is its reliance on third parties for integration, software and other services. Over-reliance indicates a lack of

commitment to excellence, which can result in uneven service by under-trained external service providers (ESPs). Profit margins on services are relatively lower than for product sales. A vendor can improve its viability and profitability with commitments to providing integration, consulting, software support services using in-house personnel. ITIL compliant software applications (such as, asset/Configuration/capacity/SLA databases are not simple plug-and-play tools. Appropriate use of trained and committed third-party service partners can be helpful, but a willingness (and ability) to provide a full range of fairly priced support services, and sometimes an insistence on their inclusion (and their price), shows a longer-term vision beyond the single deal.