WHITE PAPER

Understanding The Role of Services in Service Management

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Introduction

Service Management is a discipline that has been around for more than 25 years. Since the word "service" is part of the name, one would expect that anyone involved in service management would have a similar understanding of what a service actually is. Surprisingly, this is not the case. The lack of a unified definition leads to a lot of confusion within organizations and also causes ambiguities in communication with suppliers and customers.

In this white paper, we work towards a clear and workable definition of a service. We also discuss a number of related concepts that increase the applicability of services in practice.

Existing Definitions

An obvious first step would be to examine the definition used by the various service management frameworks and standards. This has already been done very thoroughly by SURVUZ, the organization behind the Unified Service Management method. On their website, they list no less than 100 different definitions.

There is no real benefit in trying to decide which definition is the most 'correct'. Definitions of a very generic word like service will highly depend on the context, and it is also not the purpose of this white paper. Instead, we aim for a usable and applicable definition of a service in the context of service management. Let's start by looking at the words that appear most often in existing definitions. We will group these words into three categories:
'what', 'for', and 'by'.

- **What:** Facility / Product / Outcome / Output / Result / Functionality / Value / Action / Capabilities
- **For:** Customer / Client / Consumer / User / Stakeholder
- **By:** Supplier / Provider / Organization

Looking at these characteristics, it is clear that a service has an outcome or output that the consumer of this service values, or simply needs. The output can be tangible or intangible.

A service is provided by one entity and consumed by another. These entities have various names in the existing definition, one not necessarily more correct than the other. Because services are delivered and consumed in a wide range of contexts, generic names would be preferred. In our definition of a service, we will use *provider and consumer*.

A service is more than just a one-time transaction between provider and consumer. Buying groceries at a supermarket is not the same as consuming a service. When the supermarket delivers our groceries to our doorstep each weekend and guarantees all items have a sell-by date of at least three days past the date of delivery, we do consider this to be a service.

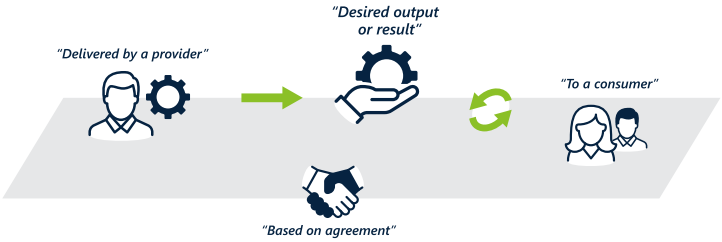
So in the case of a service, we expect regular efforts from the provider and guarantees or agreements regarding the quality and timing of the output. This also means that we expect a certain agreement between provider and consumer to be in place.

The provider does not have to be a shop, store, or external company. It can also be a department or a team of people within an organization, like the HR department. They might provide career planning sessions to employees on a regular basis.

The agreement between the provider and consumer does not have to be a formal one. When the provider and consumer belong to the same organization, the agreement is often based on shared expectations or best effort.

A New, Practical Definition

Based on these findings, we can define a service as a ***desired output or result, tangible or intangible, delivered by a provider to a consumer, based on an agreement***.



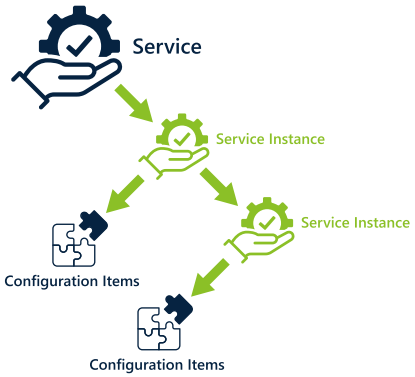
A service provider should thus describe its services with the desired output for the consumer in mind. Exactly how this output comes about is an internal affair of the service provider; the service consumer is interested in the result. Constituents of a service can be interesting to give more context about the service just as a description of ingredients provides more context to a dish on a restaurant's menu. This is also the case for non-tangible outputs of services. For example, when choosing a training course, a description of its structure, duration and format (online or on-site) is almost indispensable.

Service Instances and Configuration Items

A service is often delivered at multiple locations, supported by different provider personnel, and using different technical components. Also, the same consumer may use multiple instances of the same service, for example, for production and testing purposes. So there is a difference between a service as a concept and the actual manifestation which delivers the desired result or output. This manifestation is called a service instance. So a consumer can use multiple instances of the same service. This also means that a service always has at least one service instance when it is actually consumed.

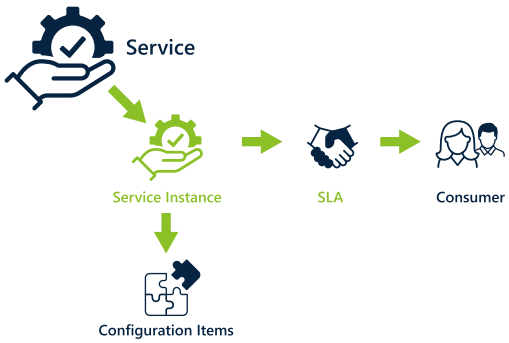
In providing a service, a provider often relies on technical components. For proper operation and support, the provider needs to know which components were used as well as the relationship between these components. We know these components as configuration items. Configuration items are always related to a (single) service instance. When a service is not dependent on technical or physical components, there are simply no configuration items for the instance(s) of this service.

Besides configuration items, a service provider can also rely on services provided by others. An example is a managed service provider (MSP) using 4me to provide customer support. In this example, the 4me service is underpinning the *Customer Support* service of the MSP. A single service can have multiple underpinning services.



Schematic example of a service hierarchy

In the definition of a service provided earlier, we explained that the provision of a service involves an agreement. We call such an agreement a service level agreement (SLA). Because an SLA relates to the actual manifestation of a service, we can conclude that it always applies to a service instance. As a consequence, a consumer can have SLAs for multiple instances of the same service.



The relationships between all introduced concepts

An Example: Leasing a Car

Let's apply these concepts to a practical example.

An organization decides to lease a car. The organization's fleet manager visits the website of their leasing company and selects a car based on the characteristics of the car, costs, duration of the contract, and the included repair and maintenance. In this example, we can identify a provider, a consumer, the desired output, and an agreement. This means the company purchased a service.

After some time, the car is delivered. The car can be considered a configuration item that belongs to the car leasing service instance for the organization. At the same time, the leasing contract is activated. This contract represents the service level agreement.

The same organization may also decide to lease a similar car for another employee. This would be facilitated by creating a new instance of the *car leasing* service with a separate SLA. The second car is a configuration item that belongs to this new service instance.

If the car breaks down, it will be repaired. The user of the car does not need (or want) to know which parts were broken and have been replaced. The agreed and expected output of the service (a well-functioning car) has been restored. In more extreme cases, the entire car might be replaced by an equivalent model.

The example above demonstrates how the concept of a service increases resilience. The decoupling of 'what' and 'how' allows for technical changes with very little impact on communication, expectations and agreements.

Another Example: Retirement Planning

A second example is retirement planning within a large enterprise. Employees of a certain age are invited to start a conversation with a retirement planner about the financial aspects of retirement. The retirement planner works in the HR department of the enterprise. The consultation is free of charge and includes two meetings and a personal retirement planning report. The report is provided within three weeks after the last meeting.

Similar to the first example, we can easily identify a provider, a consumer, an expected output, and an agreement. So the employee is consuming a service provided by HR. This service is delivered using the knowledge and experience of the consultant. If the consultant is using a purpose-built Excel spreadsheet for calculations and analysis, this spreadsheet can be considered a configuration item, belonging to the service instance retirement planning. The consultant could also be using an online tool provided by a cloud provider. In this case, the HR department is consuming a service that underpins their *retirement planning* service.

Why Services are Key in Service Management

In the previous sections, we explained how services focus on the outcome or result for the consumer. The name and description of a service clearly explain what is delivered, in terminology the consumer understands. The technology or processes a provider uses for delivering the service are irrelevant to the consumer and can change at any moment without impacting the outcome. It is the result that counts. Focusing on the outcome creates a sense of predictability and stability for the consumer.

We also explained the concept of a service hierarchy, layers of underpinning services that are combined into end-to-end services. When sourcing services from other providers, the underlying technology or mechanism are often unknown. They should not matter because the provider has an interest in the outcome only. They trust their providers in deciding what is required to deliver the service.

Using services rather than focusing on processes and (technical) components also increases agility. A provider can easily change components or processes without impacting outcomes and agreements. In case of underpinning services, a certain service might be replaced by a better (or less expensive) alternative from the same or even a different provider without impacting the service hierarchy.

The focus on services does not mean components and processes are not important. For the service provider these are essential, but should not be prevalent in the communication between provider and consumer.

Services in Service Management Tooling

Most providers make use of service management tools to manage the support, operation and improvement of their services. To structure information, these tools often use configuration items to indicate what a certain assignment is about. For incidents for example, the CI can be used for registering which component in the infrastructure caused the issue.

Because most vendors understand the importance of having services in a service management application, these are often added as configuration items. The following example explains why this is problematic.

An internal employee calls the service desk, indicating that she cannot access a specific webpage. The service desk analyst registers a new incident, and selects the service (CI) 'Internet'. After some troubleshooting, it appears that the website the caller was trying to access was blacklisted in the firewall. The service desk analyst selects the firewall CI, overwriting the service and closes the incident. This means that there is no longer a possibility to easily relate this incident to the Internet Access service. Another possibility is that the webpage is suddenly accessible again. The incident is closed with the 'service' CI still selected. So some of the incidents are related to a 'service' CI while others are linked to the 'causing' CI.

If we link all records separately to a service or service instance, this issue disappears. It is easy to identify related activities and allow us to track costs and user satisfaction on service level. Problematic CIs can still be identified because these can be linked when applicable.

Conclusion

The purpose of this white paper was to provide a practical definition of a service in the context of service management. To this end, we have used the common elements of existing definitions from various standards and frameworks. In addition, we have explained why distinguishing the concept of a service and its actual manifestation in service instances is indispensable in daily practice.

We explained why services provide a perfect amount of abstraction in the communication between provider and consumer. Services focus on the what and less on the how. The how might even change without impacting the what.

When a provider involves other providers in the delivery of services, they are sourcing underpinning services, not just technology or processes. Also in this case, focusing on outcomes increases clarity and agility. An organization can outsource part of its payroll process, by consuming a payroll service from another provider without knowing all the details about the used applications, infrastructure, and internal processes of this provider.

Configuration Items (CIs) are (technical) components of a service instance. Configuration items are important for the service provider, much less (or not at all) for the consumer.

Simply adding services as CIs in your service management tools is not a good design principle because these are fundamentally different entities. We also described some practical issues with this approach. A well-designed service management tool should require you to start by defining your services first.