Effects of the British Standard for IT Service Management

The release of the British Standard for IT Service Management (BS15000) marks the first step toward the delivery of IT services becoming much more consistent across organizational and national borders.

Core Topic
Business Management of IT: Service Management Strategies

Key Issue
What best practices will drive integrated service management to manage the service impact on the enterprise?

Strategic Planning Assumptions
By 2006, ISO will introduce an IT service management standard, based on BS15000 (0.6 probability).

By 2008, the number of large end-user enterprises targeting certification for the national or international equivalent of BS15000 will be; fewer than 10 percent (0.2 probability), up to 20 percent (0.3 probability), 20 percent to 33 percent (0.4 probability), more than 40 percent (0.1 probability).

The Emergence of an IT Service Management Standard

In November 2000, the British Standards Institute (BSI; www.bsi-global.com) released the first version of BS15000 — the first national standard for IT service management, the first update of which will be available for comment in March 2002 and released in November 2002. There is nothing new about the practices it promotes or the approach it takes. But the potential impact of such a standard should it be widely adopted (and any similar standards that may emerge from other national or international standards bodies) is significant. We believe that this standard, while only covering the United Kingdom at the moment, is a significant step toward IT service delivery becoming mature and stable, with some level of consistency across enterprises — the current growth of ITIL illustrates that maturing process.
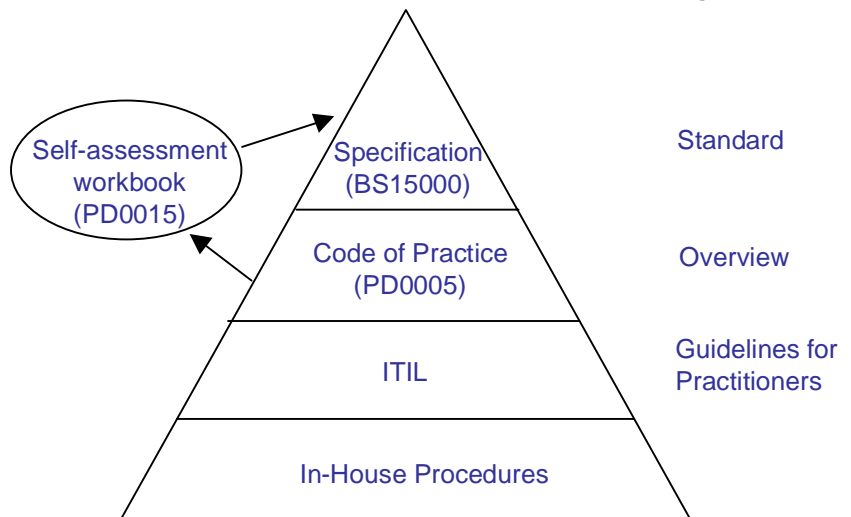
The BSI has structured the standard on IT service management along the same lines as BS7799 (the British Standard for Information Security Management). There are two parts:

1. A code of practice (currently referred to as PD0005, part of which will become BS15000-1) that recommends good, accepted practice as followed by competent practitioners

2. A specification (which will be called BS15000-2 in the new version) that lays out detailed prescriptive requirements for the purposes of assessing conformity (see Figure 1)

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Figure 1
The Structure of the BSI Standard on IT Service Management

Source: British Standards Institute

What is the connection between BS15000 and ITIL?

While ITIL can be considered a de facto industry standard in that it is widely used, it hitherto was not a formal national or international standard recognized by any formal standards bodies with an assessment and certification process, in the same way as there is for ISO 9001, for example.

The BSI, working with the Office of Government Commerce (www.ogc.gov.uk), which owns the intellectual property associated with ITIL, and the IT Service Management Forum (itSMF; www.itsmf.com), service providers, and end-user enterprises (e.g., the BBC), has created the code of practice and the actual specification to be "consistent" with ITIL. This means that, at least at this stage, it is completely based on ITIL, although there is nothing to indicate they would diverge. The existence and maturity of ITIL, and its position as a de facto industry standard, have enabled the BSI to rapidly create the standard and get quick agreement and buy-in. This also means the standard is based on a mature and well-established best-practice framework.

What's in it for the industry?

IT service management has been plagued over the years by each and every service provider (internal or external) adopting radically different approaches. In the absence of any accepted standard, each IT service delivery group was forced to define its own processes as it went along, inevitably leading to diversity. At an industry level, this leads to gross inefficiencies, particularly when two or more enterprises start to try to work together. At an enterprise level, the lack of a standard has meant there is no baseline against which IT service delivery organizations could

measure themselves and demonstrate to stakeholders how they measured against a standard. While ITIL itself delivers some of these benefits, it lacks a formal and independent corporate assessment and certification process. The benefits to the industry of a widely accepted standard for the delivery of IT services include:

- Greater momentum to the establishment of some industry norms for IT service delivery, based on ITIL

- A common vocabulary and service metrics

- A platform from which interenterprise operational processes can be developed

- Improved consistency in the quality of service through widespread adoption of a best practice, and a framework for measuring and thus improving it

- Reduced long-term costs of service delivery

- Reduced training costs

- Easier (but never easy) interchangeability of staff and service providers

What's in it for the end-user enterprise?

The standard provides a baseline against which the internal IS organization can demonstrate to the business that its service delivery processes represent best practice and are performing well. From the CIO's and business manager's perspective, it gives them some confidence that what they are being told by the IT service delivery group about the quality of their services is a fair assessment. Enterprises will also gain from some of the benefits to the industry, in addition: reduced risk in using external service providers (ESPs), which will equate to reduced costs and reduced switching costs; being able to manage complexity in a heterogeneous and diverse computing environment; and improving implementation successes of tools used to automate service management processes.

The risk for the internal IS organization is that, should it opt to go through a certification process and fail, it may not be given the opportunity to improve, and may find itself being outsourced.

What's in it for the ESP?

Most ESPs believe that their processes are in good shape and already have a fairly mature quality management system for service delivery. The pressure to go for certification will come from the clients that insist on corporate certification just to get on their shortlist. At this stage, there is very little such pressure, but

vendors need to assess any gap and the risk, because even changes in definitions, terminology and vocabulary could have significant cost impact for them. Furthermore, certification can be used for competitive advantage.

Where does it sit relative to ISO 9001?

At the time of publication, it is not clear how BS15000 will be positioned relative to ISO 9001. However, the BSI and itSMF are debating whether it should be used, like TickIT, as a quality improvement method and auditing procedure to gain ISO 9001 certification for IT service management for U.K. enterprise and certification bodies. This would certainly make a lot of sense and avoid any confusion within enterprises.

Will it be successful as a standard?

Success as a standard means that enterprises on the supply and demand side of IT services recognize that it provides value and is worthwhile attaining certification. The conditions for it to be successful are:

- Application of the standard by certification bodies, assessors and practitioners needs to be seen to drive improvement, not bureaucracy.

- There must be a corporate certification program. This requires that the certification authorities see a commercial opportunity.

- It needs some high-profile enterprises, both end-user and service providers, private and public sector, to go for certification.

- It needs to complement ISO 9001 and other quality initiatives, such as European Foundation for Quality Management (EFQM; www.efqm.org), and not compete inside enterprises.

- It needs to be seen to be fixing a problem, answering a question about the service provider or answering a need.

- It must be seen to reflect and drive best practice and to be relevant to the environments enterprises are operating in, making it an indicator of excellence in quality of service, i.e., those with it are at least as good and, ideally, better than those best-in-class enterprises without it.

- It must not restrict service providers' ability to differentiate themselves.

- Since many of the ESPs are U.S.-centric, the standard needs a U.S. or international equivalent before it will really have the impact it is capable of having.

- It needs to be seen as more valuable than the proprietary consulting-led assessments that are readily available.

In terms of how it measures up against those requirements:

- Many standards fail because practitioners have little knowledge of the industry or practicalities of delivery. BS15000 has the advantage of being built on an existing framework, developed, tried and trusted by service management practitioners and vendors.

- IT service delivery is widely perceived as a problem in most enterprises, so BS15000 certainly hits a sensitive spot. Although it is questionable whether BS15000 certification would make any substantial difference to the quality of service delivery from ESPs, prospective clients are certainly very likely to look for it as a shortcut to shortlisting suppliers.

- The principles and approach would not harm an ISO 9001 program, but clearly going for both ISO 9001 and BS15000 certification concurrently will result in conflicts of interest, if only in resourcing. If the BSI opts for the TickIT approach, it will prevent this kind of confusion.

- Because it is based on ITIL, the standard has a credible foundation to represent best practice. Nobody would claim ITIL is perfect, and it is severely challenged to keep up with the industry, but as a collective whole it is as good as it gets and there are no public domain alternatives.

- Compliance with the standard will not interfere with ESPs' ability to differentiate themselves.

- The standard has had a very quiet start, but this is because the BSI is keen to get some "wins" before making a lot of noise, having learnt from its BS7799 experiences. There is definite interest in the end-user community. ESPs are adopting a watching brief — some have done an assessment and believe it would not take much for them to get certification should they be asked to do so, while others are simply waiting for clients to start asking before they make any efforts.

- There are no competing standards from other standards bodies. But there are commercial consulting-led assessments that deliver much of the same value, but lack the "badge of honor" that comes with an industry standard.

- There is currently no corporate certification program for BS15000, although the BSI has structured the standard so

that this can be developed quite easily, and the BSI is already talking to the certification bodies. We believe this will progress steadily because the certifying bodies are supportive and can see the demand for it. There is a self-certification workbook (PD0015) that provides a first step in assessing compliance.

- It is impossible to say how much of an overhead gaining certification will be, but there is little to suggest it would be any more onerous than any other standard.

By 2008, the number of large end-user enterprises targeting certification for the national or international equivalent of BS15000 will be; fewer than 10 percent (0.2 probability) up to 20 percent (0.3 probability), 20 percent to 33 percent (0.4 probability), more than 33 percent (0.1 probability)

What are the implications outside the United Kingdom?

While the standard is only a U.K. standard today, there are no competing standards, so it is likely that it would form the basis for any other national or international standards that emerge. Although the BSI has no definite plans today, in our view, it is very likely that BS15000 will be put forward to the International Organization for Standardization (ISO) for it to become an ISO standard in its own right or as part of ISO 9001. Until 2006, there will not be an ISO standard for IT service management certification (0.8 probability).

Bottom Line: Enterprises should adopt IT service management as a discipline. All improvement efforts in IT service management should be done with ITIL and BS15000 as a frame of reference and baseline, despite BS15000 being in its infancy. It does not require the wholesale deployment of ITIL or following it to the letter, but the enterprise must ensure that any processes and procedures they put in place, or indeed things they decide not to do, do not prevent them from getting certification when it finally becomes available.

Acronym Key

BSI	British Standards Institute
EFQM	European Foundation for Quality Management
ESP	External service provider
ISO	International Organization for Standardization
ITIL	IT Infrastructure Library
itSMF	IT Service Management Forum