Case Study: Using ITIL®
and PRINCE2® Together

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Introduction

Setting up service desks in offshore locations is big business. There are various drivers behind such efforts. Some are pure cost savings. Others are to attain quality improvements by leveraging superior language or business skills available in the new location. Some projects can be extremely emotive, and all are certainly challenging projects that need to be handled with care.

Recently I was employed by a corporation to manage their first foray into this arena. Their service desk supported not just internal but also external customers, providing in particular incident and access management plus request fulfilment. Their key driver was that their existing service desk was reaching capacity. Expansion in the current location was not physically possible or cost effective, and so an offshore location was selected. To add urgency, a new IT product was going to be released which meant an imminent increase in volume and pressure on the service desk. Demand and capacity management already had calculated the size of the expansion required (150 extra service desk staff, along with the usual supporting IT infrastructure).

The project to set up the new service desk following ITIL® procedures was formally initiated by the company's official IT change authority, in our case called the Change Advisory Board (CAB). The CAB rightly recognized early on the scale of the change and so officially invoked the project management group. The vice president for the overall department was confirmed as the project executive to sponsor the project going forward. I was assigned the project to set up the new offshore service desk to run in parallel with the existing service desk. Specifically, I had to ensure the new desk was designed and built to replicate the existing service desk, and bring the two physical services desks together so that they became a single logical virtual service desk.

PRINCE2 supporting ITIL

From the moment the CAB provided the project mandate, the project was run using PRINCE2® methodology. PRINCE2 was extremely valuable in ensuring success. It did this in many ways, but of particular value were the following:

1   The PRINCE2 principle focusing on business justification throughout.
2   PRINCE2's management by stages to break it down into manageable chunks.
3   The PRINCE2 emphasis on lessons learned from previous efforts.
4   PRINCE2's risk management provided a methodical and consistent approach throughout.

1 BUSINESS JUSTIFICATION

Perhaps the greatest benefit PRINCE2 brought was the principle of continued business justification and consistent focus on the business case throughout the project. It ensured that the project did not deviate away from its central objective. And thank goodness. As there were many tests and traps trying to entice the project away from the original design.

One such lure away from the plan was in the area of function creep. The primary aim of establishing the new service desk was to ensure greater capacity ahead of the release of a new IT product. The new service desk had to be online and ready ahead of the IT product's launch. It had to be done at minimal expenditure, and so the second site in an offshore location was selected rather than expanding the existing site. The second site did provide other benefits, in particular some extra cover for disaster recovery. If there was a denial of service (such as a fire alarm) or denial of access (such as a network outage) in the existing site, then the new second site could be designed to provide business continuity.

However, to guarantee such extra benefits were realized required extra expense. This additional expense was not overly significant in relation to the overall budget for the project. Moreover, some project savings had already been made elsewhere, so we did have sufficient funds to cover the extra expenditure. However, I did NOT authorise the expenditure. PRINCE2's principle on focusing on the business case ensured I did not fall into the trap of spending the savings on realising these extra benefits.

Why not? Yes, thanks to the savings already made on the project, our budget would still have remained

within our financial tolerances as laid out by the project board. And yes, it is certainly true that it is cheaper to put in place the disaster recovery (DR) infrastructure from the outset (as retrofitting offices with the extra DR requirements afterwards will always be the more expensive option). However, the DR benefits were a perfect example of gold plating. They were still an exception beyond what we had originally justified. Our PRINCE2 business case reminded us that we were not creating this site specifically for disaster recovery purposes. Our primary concern was to expand capacity. So when extra expense was requested to ensure the new site was fully capable of providing such business continuity options, it was clear this was beyond the scope of the original business case. As the project manager, I had been entrusted to spend specific company resources to expand capacity. I therefore could not authorise spending on something else, however inexpensive and beneficial that might be.

That is not to say that I ignored the potential extra benefits either. In such circumstances it is not the role of the project manager to say no and to move on regardless. I worked to ensure the project board were aware of the new opportunity. It was their decision, and the request had to be referred to them. My role and the role of the project team was to provide the board with all the information to help them weigh up the pros and cons of extending the project to include this extra requirement.

Ultimately they deemed the risk to the timeline to be too high and so the project continued as originally planned. The project board confirmed it was better for me and the project team to focus on delivering the extra capacity by the required date as stated in the business justification and ensure that that meets the requirements. The cost of missing the deadline far outweighed the cost of retrofitting the new site with the full DR capability, and so only minimal DR that did not add any extra time was completed.

2 MANAGEMENT BY STAGES

ITIL is huge. It has a wide breadth, covering all IT functions across the organization. It also has a great depth, getting deeply involved in the very root of processes and their design. Making changes and additions to ITIL can therefore be very daunting. The ramifications can spread far and wide. PRINCE2 helped us be successful by ensuring we avoided biting off more than we could chew. It did this through PRINCE2's management by stages.

We focused on Service Operations, and within that on the Service Desk. We ensured each of the ITIL service operations processes (Incident management, problem management, access management, event management and request fulfilment) were covered and adopted correctly by the new service desk. Of particular benefit was the Service V-model. The Service V-model breaks down relatively high level requirements into smaller more detailed designs. It does this by defining the requirements at the high level and requiring that to be signed off. Once that is approved, the next level of more detailed design is then documented and approved. Each step of the model can be considered a stage for PRINCE2. The V-model gets its name because the requirements and documented design represent the left hand side of the 'V'. As they get towards the base of the 'V' the signed off definitions get progressively more detailed. The right hand side of the 'V' then shows the test plans, with each of the tests being built around its equivalent requirement definition on the left hand side. This stepping stone approach down one side and then back up the other helps ensure that you document and sign off first and then test and deliver precisely what is required. We tailored the model to meet the specific project requirements, making sure we kept the fundamental concept of the defined requirements at each level then being used as the acceptance test and sign off criteria going forward. Each definition itself was signed off before we moved onto the next one, thereby ensuring we managed the project in sizeable chunks.

3 LESSONS LEARNED

The emphasis on learning from previous experiences is another area that PRINCE2 helped ensure the successful implementation of the ITIL based service desk. Lessons learned from past efforts (both successful and disastrous) were used from the outset. For example, the business justification and business case were based upon former historical failures. Previous IT product launches had swamped the service desk. The ramping up of service personnel had been reactive, with major decreases in customer satisfaction reflecting the lack of investment. Those lessons were used in the business case to

justify the upfront expenditure ahead of the launch. It was the first time the company had geared up ahead of a major IT product release. The consistently high customer satisfaction scores during the eventual IT product release were a real vindication of the forward planning.

Lessons learned also helped avoid common pitfalls in setting up the new service desk. A review of other expansion attempts within the company was carried out. There had been one or two attempts by other departments to expand, and so a few nuggets of value were gleaned from this internal review. In parallel a review of external sources for lessons learned was also undertaken. Some of the best lessons came from this. In particular, industry trade bodies were a wealth of information around what works and what doesn't. I already had set up service desks abroad for previous companies as well, and so I brought with me some key lessons from outside of the organization. The combination of internal and external sources helped ensure all possible lessons were learned.

We reaped the reward for these internal and external lesson learned reviews as we progressed. The single biggest win I felt was in ensuring that all the potential costs were accounted for up front. We therefore avoided underestimating the total expenditure. The hidden costs were everywhere, ranging from individual extra talent acquisition to consultancy for local tax experts to help you move your IT stock from one floor to another within the same building! Not only were we able to identify up front the vast majority of the potential extra costs. (It is perhaps unreasonable to think you will get all of them!). We were also able to accurately estimate them as well. It was only thanks to the review of lessons that ensured we could provide the estimated costs with such accuracy. The fact that we successfully came in under budget is in no small part thanks to the effort made up front in calculating all the potential costs.

The lessons learned did not stop with previous projects. By identifying and capturing lessons within our own project itself, we learned quickly what we were doing right and wrong. By doing this methodically at least at the end of each stage, we were then able to communicate that out to the wider project team, so they could replicate what works and avoid what did not. For example, we learned early on that there was an incredibly long lead time to source IT equipment in the remote location. Items that might only take a few weeks in the UK could take many months to arrive in the new location. We therefore adjusted our project plans to ensure this lengthy delivery time was accounted for. We could not change the project completion date. Rather we moved other work around, and brought purchase requests forward as much as possible. The long delivery times actually moved some of the procurement items onto the critical path, and therefore they gained the correct visibility to get them completed on time.

Lastly, our project provided lessons for future efforts as well. In this regard our own project plugged well into ITIL's "Continual Service Improvement" theme. While building the new service desk we identified specific process improvements which could be harnessed by both service desks in the future. These follow-on action recommendations were collated and made available in the end project report, ready to be used by future projects.

4 RISK MANAGEMENT

The risk management aspects of the PRINCE2 method helped guarantee a consistent attitude to both opportunities and threats. It provided a methodical and robust approach throughout the project. In particular it supported the change advisory board (CAB) in their efforts. PRINCE2's emphasis on identifying and assessing risks helped the CAB in its role to provide approval for rolling out the changes. The detailed risk register reinforced to the CAB how seriously the project took risk management. The CAB recognized that the project team was working hard to reduce and avoid threats occurring. In particular the fallback or contingency plan (often a roll back plan) should the threat occur helped the Change manager and the CAB give the required approvals.

ITIL supporting PRINCE2

I found during the project that the relationship between PRINCE2 and ITIL was not all one-sided. Quite the reverse. For each occasion where PRINCE2 supported the ITIL implementation, ITIL reciprocated. In particular, ITIL helped the PRINCE2 implementation in the following:

1   During Starting Up a Project
2   Communication
3   Quality versus cost balancing
4   Plugging a potential PRINCE2 gap

1 ITIL SUPPORTING START UP

Over recent years I have noticed that projects initiated by departments that are mature practitioners of ITIL have certain things in common. Take for instance the project mandate; it is never an illegible scrawl on the back of an envelope. Service Strategy and Service Design generate very clear and detailed project mandates. The reasons why the project is being undertaken, why this particular approach is required, the scope, the success criteria and so on all tend to be clearly thought through and then documented. These greatly simplify the time and effort required in starting up the project.

It could be argued that the clear mandate is as much a reflection of the maturity of the organization as it is to do with their adoption of ITIL principles. What is less contentious is how ITIL helps the designing and appointing of the project board when the venture is starting up. ITIL initiated projects tend to have clearly identifiable personnel to fit the roles of the project management team. For instance, in my project, the incident manager was an obvious candidate to sit on the project board as the senior user.

2 COMMUNICATION

Another area where ITIL supported the PRINCE2 project was communication. ITIL provided a standard language around which all could operate. To ITIL practitioners, incidents are clearly different to problems which again are clearly different to requests. Thanks to ITIL, we were able to make these kinds of distinctions and therefore speak very precisely. It ensured there was no confusion.

For instance, PRINCE2 rightly places significant focus on defining the products required and the quality criteria of the products. We used ITIL heavily in the quality definitions of the end products. The service desk technology was all defined using ITIL terminology. Likewise ITIL featured in the job descriptions of the new service desk personnel. When the time then came to managing product delivery the team managers knew exactly what was required of them.

I mentioned the Service V-model earlier. One additional benefit of the Service V-model was in communication. There were stakeholders who were ITIL trained, and stakeholders who were PRINCE2 trained, but few knew both. Using the Service V-model allowed us to speak to both ITIL and PRINCE2 audiences at the same time, each understanding immediately where we were in the project. Even those uninitiated in these Office of Government Commerce best practices could still very quickly understand and follow the project plan thanks to the intuitive nature of the model.

3 QUALITY VERSUS COST BALANCE

As with all things, there is a risk of getting bogged down in the detail. It sometimes becomes difficult to see the wood for the trees. ITIL's emphasis on seeking an optimal balance between quality and cost proved extremely useful as a reminder to take a step back and weigh up quality improvements against the bigger picture. In our project, as we focused on the details, some of the IT teams began to lose sight of the need to be cost effective. IT teams generally can be extremely customer focused. They often go into IT support because they enjoy helping people, and this is a very positive attribute. This though became a concern during the project as some of the IT teams appeared to put the customer first regardless of costs. We were not a charity. I needed a way to gently remind members of the IT teams of the overarching company goal to increase revenue and decrease cost. ITIL's constant balancing act of quality versus cost fitted the bill perfectly. When requests came in to spend budget on specific tools, functionality, resources, etc, I encouraged those making the applications to review them using this ITIL

principle. The number of change requests decreased as people realized the costs of making the changes. More cost effective alternatives began to be sought. ITIL helped make sure that the project team only had to focus on the most important change requests.

4 PLUGGING A GAP

Perhaps the biggest benefit of ITIL was in plugging a potential gap within the project. We had been tasked to implement a new service desk following ITIL principles. As with all good projects, we were working and being measured against what the Project Management Body of Knowledge (PMBoK) sums up as the "triple" constraints. This covered not just the traditional measures of cost, time and quality, but also the more modern and enlightened approach of measuring as well against risks, scope and customer satisfaction.

Towards the end of the project, we were ready to roll out the new service desk. We were within both time and cost tolerances. We had stayed within the clear scope outlined. The quality of the end product itself as well was met, as the new service desk team had been trained, tested and were ready to go.

From a purely PRINCE2 project perspective we were hitting our key targets as outlined in our own project's success criteria. However, the rollout of the product (the new service desk) was going to impact the quality of the existing service desk. There was still some nervousness and anxiety within the existing service desk team. While it had not been technically within the boundary and scope of the project, this was obviously a major concern.

The nervousness of the existing teams had to be addressed. We could not let morale of the existing team suffer needlessly. Based on ITIL principles a change to our project was therefore made. The emphasis moved away from rolling out the new service desk by the deadline come what may. We still had to launch the new service desk by the required deadline, but now we had to do it without negatively impacting the existing service desk.

This reflected ITIL's need for transition of the new service into operations without generating undesired consequences. ITIL's stability versus responsiveness principle as well ensured that we looked at not just delivering the project's end product regardless. We had to also be aware of and minimise any ramifications on other groups. So although it increased the costs, a more gradual rollout of the new service desk was agreed upon. This ensured a good balance of stability to the existing operations while allowing the new team to be introduced into their work.

Whilst this oversight in the original project brief might have been captured anyway, ITIL helped ensure that it was resolved satisfactorily, with the best solution in mind. Like programme management best practice (as reflected in Managing Successful Programmes), ITIL helped the project remember that it is simply an enabler. Delivering an end product is the goal of the project, but to only consider that goal is not enough. The project must also keep one eye on the benefit realisation that will come from that end product. The project itself cannot necessarily focus 100% on this, as often the benefits only commence after the project is completed. We successfully avoided the temptation to roll out the new service desk and declare victory too soon. When our post project review took place, it showed the extra costs spent in rolling out the desk were well spent. The review demonstrated that the benefits had indeed been realized and firmly embedded in.

Weaknesses of combining PRINCE2 and ITIL

This is not to say that ITIL and PRINCE2 were a marriage made in heaven. As in any partnership, there are some lows as well as highs. Some of the ITIL functions and processes certainly added an extra level of bureaucracy to the project. For instance, the change management process covered all IT changes. However, it was independent of the financial approval process which went through a completely separate procurement process. We therefore on occasions had the odd situation where we had the project executive's approval, and the business and financial approval (shown through the approval of the purchase order), yet we still struggled to get approval from the IT change authority. This added if not time then certainly some frustration to the project. With hindsight, one potential solution could have

been for the role of the leader of the CAB (the official IT change authority) to have been added to the project board. This would have given the CAB greater insight into the project, which could only be a positive step.

Another area where the two did not mesh so well was that ITIL did seem to introduce an inordinate number of stakeholders. It is understandable that lots of departments and lots of personnel would be interested in the introduction of a new service desk. However, we were somewhat taken aback by just how many groups felt they should have a say in project decisions. ITIL terms were often quoted to justify this. It is difficult to say if this was more to do with the specific ITIL implementation and the personnel involved rather than ITIL itself. Either way, it did seem to be overkill. The project team had did have to spend significant effort on engaging and managing stakeholders with sometimes tenuous links at best to the project.

Conclusion

Whatever metrics you choose, the project was a success. From a timing perspective, it was completed ahead of the release of the new IT product, and so it was able to manage the spike of incidents that followed. From a quality and customer satisfaction perspective, our loyalty scores not only avoided a dip, but in fact increased, both during the period when the new service desk came on line, and then later when the new IT product was launched. From a cost perspective we came in just under budget, and that included some extra costs to provide a more gradual rollout.

Moreover, the project illustrated several key benefits in using PRINCE2 and ITIL together. Yes, there were some conflicts. But overall the two OGC best practices did naturally and neatly interlock together. ITIL worked well in defining the best practice targets; PRINCE2 then assisted as the best practice route to get there. For me it was clear that combining the two provided benefits greater than the sum of the individual parts. Perhaps the biggest surprise is that we do not see more ITIL and PRINCE2 projects together.

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Noel Scott (PMP) is a MSP Advanced Practitioner, PRINCE2 Practitioner and ITIL Practitioner specializing in managing programmes and projects within the contact centre industry. With over 10 years experience in a wide range of customer services programmes, Noel regularly delivers articles and speeches on improving the effectiveness and efficiency of contact centres. Noel is a leading member of the "Customer Contact Council" and the "Service and Support Professionals Association".

Acknowledgements

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