**Contents**

[1. Introduction 3](#_Toc101535759)

[2. Purpose 3](#_Toc101535760)

[3. Contribution to Service Value Chain Activities 3](#_Toc101535761)

[4. Strategy Management for IT Service Activities 3](#_Toc101535762)

[5. Roles and Responsibilities 4](#_Toc101535763)

[6. Strategic Initiatives 4](#_Toc101535764)

[7. Strategic plans and business case 5](#_Toc101535765)

[8. Performance goals and objectives 6](#_Toc101535766)

[9. Strategic Service Assessment 6](#_Toc101535767)

[10. Service strategy execution 6](#_Toc101535768)

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# 1. Introduction

The ITIL Strategy Management for IT Services process ensures the services are managed in line with the organization's overall strategy and establish short- and long-term plan for IT business growth expectations and needs.

# 2. Purpose

The goal of this practice is to create organizational objectives and to choose the courses of action and resource allocation necessary to achieve those goals. Strategy management develops the organization's direction, focuses effort, defines, or explains the organization's priorities, and provides consistency or guidance.

# 3. Contribution to Service Value Chain Activities

Chart, diagram, funnel chart

Description automatically generated

* Plan- Plan ensures that the organization's strategy is translated into plans (operational and tactical) that support delivering the strategy.
* Improve- Improve focuses on developing a plan for identifying and analyzing opportunities for improvement.
* Engage- Engage focuses on strategic stakeholder engagement so that strategic decisions are in line with corporate goals.
* Design & Transition, Obtain/Build, Deliver & Support is concerned with ensuring that the strategic objectives are met and fulfilled through the actions taken while designing, transitioning, creating, delivering, and supporting services and products.

# 4. Strategy Management for IT Service Activities

There are some activities that need to be performed for IT services process. The following are:

* Strategic assessment: Strategic assessment is the process of evaluating an organization's current situation and identifying the best path forward. It includes study of competitor, resources and constraints, business growth and vision to achieve, market conditions, supplier issues, technological, financial, and regulatory needs.
* Identification of opportunities: Analyze the organization's internal and external settings to see if there are any potential prospects.
* Identify constraints: Analyze and identify any action that may prohibit or delay the attainment of company objectives.
* Organizational Positioning: An organization's position in relation to its competitors and customers must be defined. As a result, this should specify the target market group, the services that will be given, and how the competitive advantage will be gained.
* Planning: This procedure is also in charge of creating and updating IT Management Strategies and Strategic Plans for each of the services provided. It must also ensure that IT strategy and business strategy are consistently in sync.
* Execution**:** It is also in charge of assigning appropriate services based on customer needs and putting the established strategy into action.

# 5. Roles and Responsibilities

1. Service strategy manager-

* Assisting in the creation of a long-term organizational strategy usually for 3 to 5 years
* Researching and analyzing operational efficacy, procedures, and stakeholders, among other things.
* Aligning departmental goals, processes, and resource allocation to the overall strategy.
* Observing and analyzing market trends and rivals.

1. IT steering community-

* ISG oversees IT Services direction and strategy like taking smart decisions, setting up steering committee, defining roles and responsibilities, authorities, and decision rights to approve budgets.
* Members of senior business and IT management are a part of this group.
* The IT Steering Group examines the business and IT strategies to ensure that they are in line with the company's objectives.
* This committee also determines on the order in which service improvement projects and programmers are prioritized.

# 6. Strategic Initiatives

|  |  |  |  |
| --- | --- | --- | --- |
| **Initiative** |  | | |
| **Description** |  | | |
| **Service Area** |  | | |
| **Category (Critical, Medium, Non-Critical)** |  | | |
| **Objectives** | | | |
|  | | | |
| **Contribution to key Outcomes** | | **Existing Arrangements** | |
|  | |  | |
| **Recommendations** | | | |
| **Minimum** | **Desirable** | | **Optional** |
|  |  | |  |
| **Assumptions and Dependencies** | | **Critical Success Factors** | |
|  | |  | |

# 7. Strategic plans and business case

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Initiative** |  | | | | |
| **Description** |  | | | | |
| **Potential Benefits** | | | **Risks** | | |
|  | | |  | | |
| **Potential Benefits** | **Aggressive** | | **Realistic** | | **Conservative** |
| **Financial** |  | |  | |  |
| **Business Benefit 1** |  | |  | |  |
| **Business Benefit 2** |  | |  | |  |
| **Business Benefit N** |  | |  | |  |
| **Risk** | | **Description, Impact and Probability of occurrence** | | **Potential Remedy** | |
|  | |  | |  | |
| **Investments Required** | | | | | |
|  | | | | | |
| **ROI** | **Total Cost of Ownership** | | **Payback Period** | | **IRR (Internal Rate of Return)** |
|  |  | |  | |  |
|  |  | |  | |  |
| **Key Performance Indicators** | | | | | |
| **Business Sponsor** | **IT Sponsor** | | **Implementation Owner** | | **Sourcing Option** |
|  |  | |  | |  |

# 8. Performance goals and objectives

The key Performance Goals and Objectives spanning across all Services provided by IT to business, including those ones which are being transitioned into the live environment are listed. The Benefit Areas must be as tangible as possible for example, Financial, increased productivity, improved customer satisfaction.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Benefit Areas** | **Strategic Objectives of IT** | **Key Performance Indicators** | | **Target** | **Owner** |
| **Lag Indicators** | **Lead Indicators** |
| **Financial** |  |  |  |  |  |
| **Area 2** |  |  |  |  |  |
| **Area 3** |  |  |  |  |  |

# 9. Process activities

* The Business strategy manager identifies the organization strengths and weakness. This is done by analyzing factors such as – existing services, resources, capabilities, projects, finance, operations etc.
* Next step is to identify the growth opportunities and threats. By analyzing external factors such as - customer’s, supplier’s, partner’s, political trend’s, socio economic trend, technology trend etc. organization gets fair idea of its current position in market and can formalize future growth and expansion plans.
* Business strategy manager lists all market spaces where organization currently has hold and lists any new market space identified after internal and external analysis. To decide on which market space to target it is important to define all critical success factor required for a market. Based on this information a decision can be taken to cater to the market need or not.
* High level objectives are set after discussion with steering committee, service management director and service management process owners.

# 10. Service strategy execution

* Identify budget requirements for developing new services identified as per IT strategy. Perform
* service valuation to check for feasibility of developing a service and if post program ROI is required.
* Prioritize IT strategy plans in the order of importance and ease of implementation. Communicate the plan to stakeholders.
* Business strategy manager lists down all available assets and their utilization pattern. Organization services, process, skills, tools etc. are compared with competitors and the gap is documented.
* If an organization lack any of the critical success factor required being successful in identified market space, then such critical success factors are to be developed.
* Investment options are prioritized and approved by senior management. Service offerings are developed accordingly. The business strategy manager will work with other service management process owners to implement strategic plans and achieve desired outcome.

# 11. Monitoring of service strategy

As part of an organization's ITIL service management process, it is important to have a clear and well-defined monitoring service strategy. This strategy should be designed to help ensure that the organization's IT infrastructure is able to meet the needs of its users

When developing a monitoring service strategy, there are a few key components that should be considered:

* Identification of who will use the monitoring services
* What data do they need to monitor?
* How often do they need to monitor it?
* What is the level of detail required?
* Are there any specific compliance requirements that need to be met?
* What is the budget for the monitoring services?
* What tools and technologies will be used to support the monitoring services?
* What are the SLAs for the monitoring services?
* Who will be responsible for managing and supporting the monitoring services?
* How will the Monitoring Services be delivered (e.g. on-premises, cloud-based, etc.)? Establishing these components early on will help to ensure that the monitoring service strategy is clear and well defined.
* Creating a Service Level Agreement (SLA)

One of the most important aspects of an effective monitoring service strategy is the creation of a Service Level Agreement (SLA). An SLA is a document that outlines the expectations of both the organization and the provider of the monitoring services. The SLA should include details such as:

* + What types of data will be monitored?
  + How often will it be monitored?
  + What is the acceptable level of uptime for the monitoring services?
  + What are the response times for alerts?