

# Maximizing the Value of Your ITSM Investment

## Assessing Process Effectiveness Using COBIT 5

By Pam Erskine, Principal Consultant, Advanced Organizational Performance Techniques (AdOPT)

IT service management (ITSM) is a broad topic that incorporates many good practices which are used to identify and manage IT services. But are these practices and processes performing as expected? Are they supporting the organization as intended? Understanding actual performance allows IT and the enterprise to determine where they should invest their resources in new services or improvement opportunities.

Undertaking the assessment process is an investment that can take significant time and often, funding as third party resources are needed. It is important to select

the right methodology as the assessment process can provide a measurable outcome which can be the basis for understanding improvement opportunities, measuring progress, and making decisions regarding investments.

The structure of the methodology must incorporate flexibility based on the organization's objectives. It must provide some rigor while allowing for organizational goals and objectives to be considered. When assessing processes that support ITSM, it can be difficult to identify and effectively utilize a methodology which meets all of these criteria.

### Enter COBIT

The COBIT framework has evolved well beyond its initial use as an audit methodology. It has evolved into a strategic framework that can provide significant value to the enterprise. With the advent of version 5, the framework is much more comprehensive and the overall focus is governance and management. Incorporated within the framework are several key components which, when used together, provide a strong foundation for understanding the capability and performance of IT service management (ITSM) processes as well as how processes are supporting both IT and enterprise goals.

COBIT 5 helps us to understand which practices and processes provide significant benefit and warrant the investment of critical IT resources. By understanding how IT supports the business in achieving their goals and focusing IT resources in high value areas, IT is able to optimize costs and better support the business in achieving their objectives.

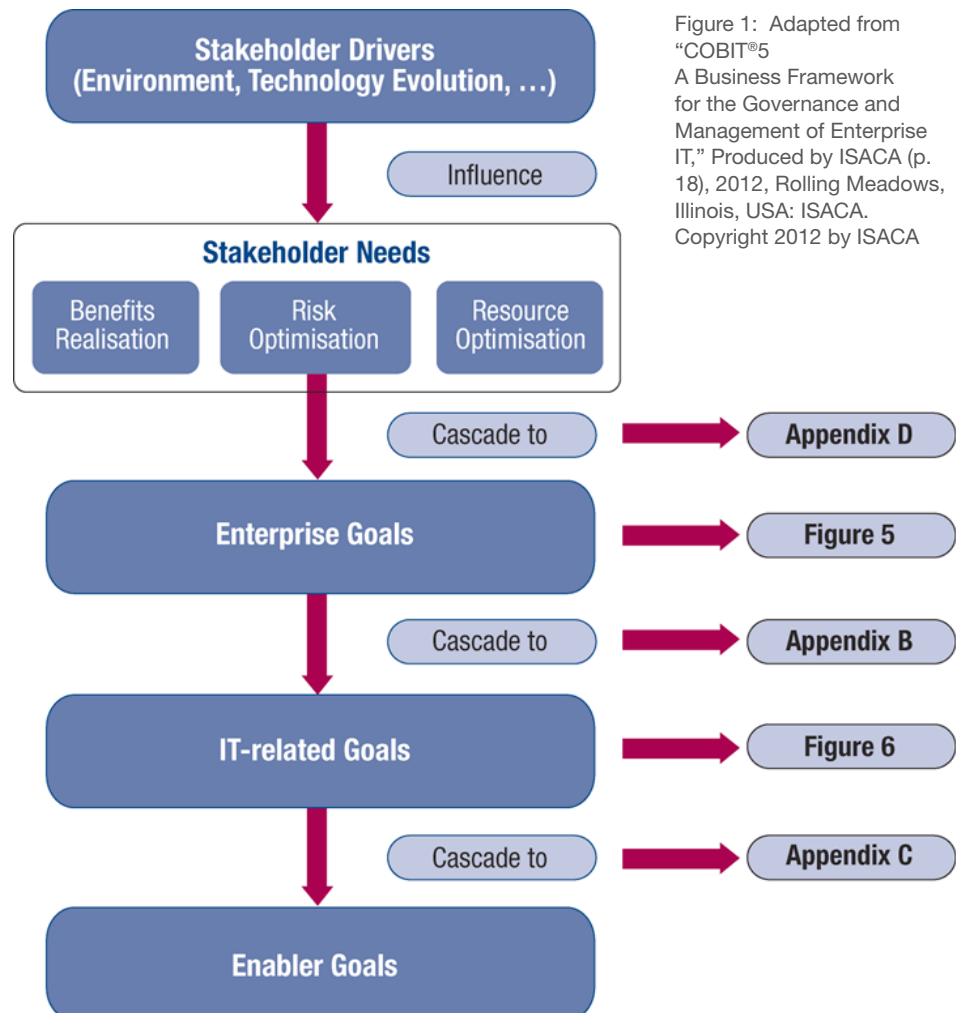


Figure 1: Adapted from "COBIT<sup>®</sup>5 A Business Framework for the Governance and Management of Enterprise IT," Produced by ISACA (p. 18), 2012, Rolling Meadows, Illinois, USA: ISACA. Copyright 2012 by ISACA

### 3 Key Components for IT Service Management Process Assessment

The COBIT 5 framework includes three key components which effectively support an organization in understanding process performance and capability. They help an organization manage costs by only focusing on the ITSM processes which provide substantive value toward the achievement of the business goals.

These three components are;

- The Goals Cascade
- The Process Reference Model (PRM)
- The Process Assessment Model (PAM)

#### Goals Cascade

The COBIT 5 Goals Cascade provides a means to understand the relationship between enterprise or business goals, IT goals, and goals relating to areas that enable success such as processes. It is a key component in the framework and it includes a structured methodology for mapping your business goals to IT goals and associated enabler goals. It helps to understand how IT and processes support the enterprise.

While the Goals Cascade is often referenced by ISACA as a tool for audit and governance, it provides a substantive starting point for assessing processes. At its' core, this tool focuses on value creation for the enterprise.

When developing and adopting processes, organizations should be focused on meeting their customer's needs in order to facilitate value. The Goals Cascade aligns with this underlying principle of process development thereby providing a strong foundation for process assessment

The Goals Cascade focuses on the needs of the business and recognizes that IT's goals and objectives should align and support the business goals. Within the Goals Cascade, business or enterprise level goals are supported by IT-related goals which are then supported by enabler goals. The material provides seventeen enterprise related goals which can be mapped to any organization's business goals. Upon understanding enterprise goals, there are seventeen IT related goals noted which are mapped to the enterprise level and further denoted to show if the relationship between the enterprise goals and IT related goals is primary or secondary in nature.

For example, many organizations have business goals relating to the customer experience. Within the seventeen goals defined at the enterprise level, the framework includes a goal relating to creating this experience. It is goal number six, which is "Customer-oriented service culture". Once the organization's business goals are mapped to the Goals Cascade, they can then be mapped to the IT related goals.

Enterprise goal "Customer-oriented service culture" has several primary and secondary IT goals defined within the material. One of the primary relationships noted is with IT goal number seven which is "Delivery of IT services in line with business requirements".

The information defined in the Goals Cascade is not intended to be the exact goals you may have in your organization. It is a framework. The structure and example information noted in the materials will allow you to determine how your organization's enterprise goals and IT goals should be mapped to ensure IT is providing value to the enterprise.

COBIT 5 identifies seven enterprise enablers. The enablers are foundational to IT and the enterprise achieving success. The enablers require focus to ensure they are effectively supporting both IT and the enterprise in achieving their goals.

- 1.) Principles, Policies, and Frameworks
- 2.) Processes**
- 3.) Organizational Structures
- 4.) Culture, Ethics, and Behavior
- 5.) Information
- 6.) Services, Infrastructure, and Applications
- 7.) People, Skills, and Competencies

The second enabler noted is Processes. The Processes enabler allows us to understand which processes support the IT related goals. IT processes such as incident, request, change, release, and others can be mapped to IT related goals using the Process Reference Model.

Processes for Governance of Enterprise IT

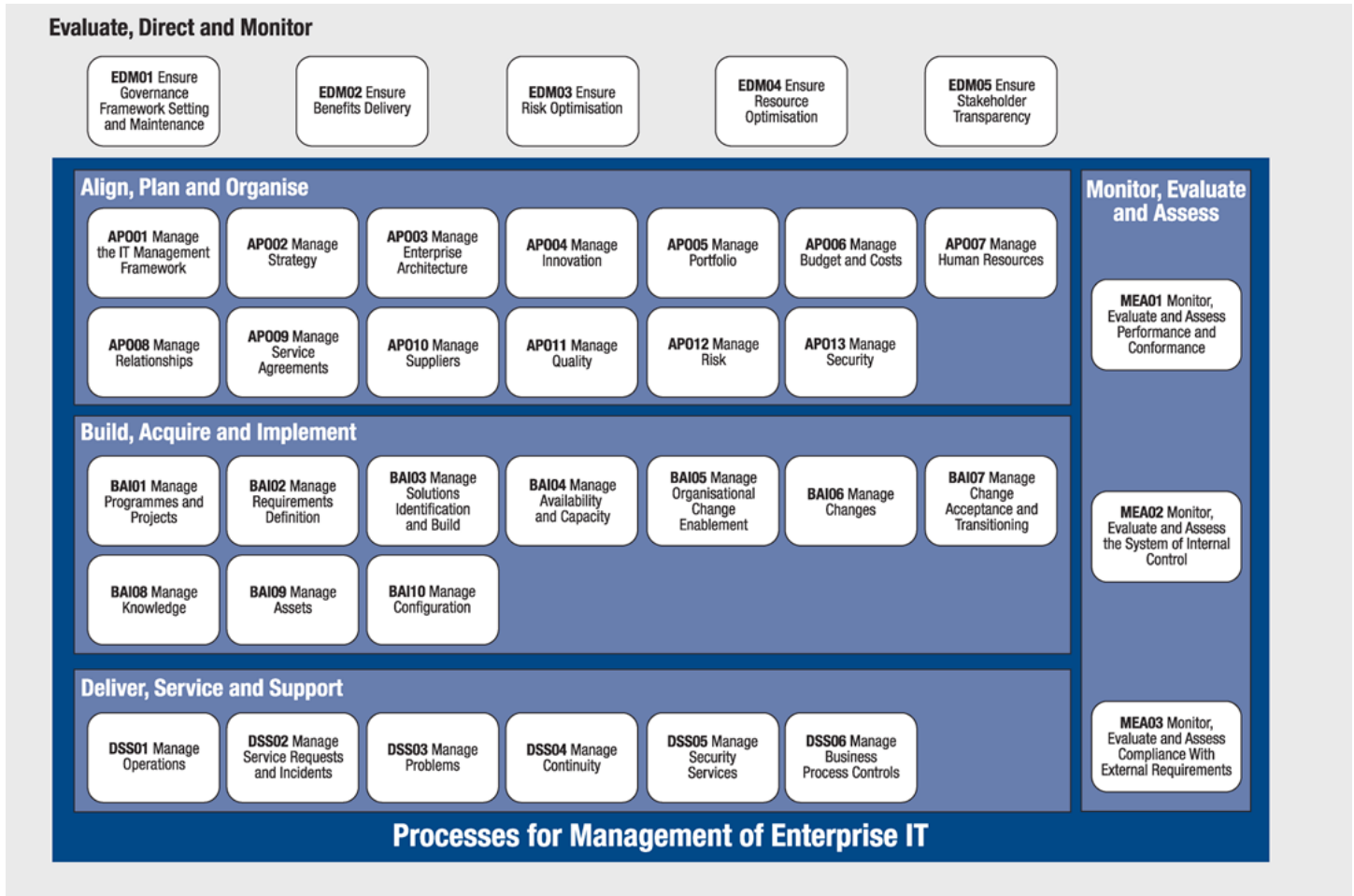


Figure 2: Adapted from “COBIT®5 A Business Framework for the Governance and Management of Enterprise IT,” Produced by ISACA (p. 33), 2012, Rolling Meadows, Illinois, USA: ISACA. Copyright 2012 by ISACA

**Process Reference Model (PRM)**

The Process Reference Model (PRM) is another key component of the COBIT 5 framework. The model describes five domains and thirty seven processes that are normally found in an IT organization. It provides a common language for governance and management that can be used to ensure we focus on maturing processes that support achieving the goals of the enterprise.

Mapping IT related goals to processes using the PRM illuminates which processes are critical to meeting the goals of the organization. It allows us the opportunity to manage valuable resources by focusing only on the critical few processes that substantively allow the business to succeed by achieving its’ goals and objectives.

The Goals Cascade provides a mapping of IT related goals to processes through the use of the PRM. Using our earlier example, the enterprise goal “Customer-oriented service culture” was mapped to the IT goal “Delivery of IT services in

line with business requirements”. The PRM includes numerous processes that can be directly mapped to this area. Examples include processes such as managing service requests and incidents, managing problems, managing continuity, etc.

This goal mapping process can be repeated to denote each enterprise goal, supporting IT related goal, and the critical supporting processes. Using the Goals Cascade and Process Reference Model allows the organization to narrow down to the critical few processes that are required to support the enterprise in achieving their goals. It provides a foundational view of the processes that should be considered for assessment thereby allowing us to focus on assessing and maturing the processes that will provide the greatest benefit.

Upon understanding the critical processes that support enterprise goals, organizations can assess the capability and performance of the processes to identify areas for improvement. The COBIT framework includes another key tool for process assessment.

## Process Assessment Model (PAM)

The Process Assessment Model or PAM is based on the ISO15504 standard. It provides a logical, repeatable, structured methodology that can be used to understand the current process capability and performance.

The PAM is an evidence based model that assesses capability and performance. The model reduces the subjectivity by defining three classes of assessment as well as a measurement scale which includes defined process attributes. Ratings are based on achievement of the attributes defined, and the evidence required to achieve a rating is acquired through interviews, reviewing documentation, and assessing outcomes. The PAM includes guidance on the level and amount of evidence required to achieve specific capability ratings.

When conducting an assessment, we must first understand the purpose of the assessment. What is the outcome we are attempting to achieve? Upon defining the outcome, we can determine the appropriate assessment class.

Within the PAM, the assessment class drives decisions about how much evidence needs to be reviewed and it defines additional criteria regarding number of assessors and if they should be independent or if they can be from within the organization. The COBIT assessment classes allow the organization the flexibility of determining the level of scrutiny required to achieve their objectives.

## Assessment Classes

The PAM incorporates three potential classes of assessment:

- Class One requires significant focus. It is often used for benchmarking ITSM processes or when an organization needs to make substantive decisions based on the assessment outcome. The Class One assessment can be resource intensive as there can be a significant amount of evidence to review however; the organization should feel very comfortable with the results.
- Class Two requires focus and reviewing evidence relating to processes but it does not require the same level of scrutiny as class one. The Class Two assessment is often used when the organization is planning some sort of process improvement or they are comparing results from different areas or products.
- Class Three is the least intensive assessment option. The assessor is still conducting interviews and reviewing various materials but the volume is somewhat reduced. The Class Three assessment is recommended for situations where the organization needs to identify opportunities for improvement and potentially build a program where ongoing progress can be monitored and evaluated.

If we consider that many IT organizations wish to identify process improvement opportunities as a routine part of continual service improvement (CSI), a Class Three assessment provides the necessary structure to provide a strong understanding of existing capability and a repeatable process that can be used to assess improvement actions. The amount of evidence required for a class three assessment is much less than that of a Class One which is often used for benchmarking.



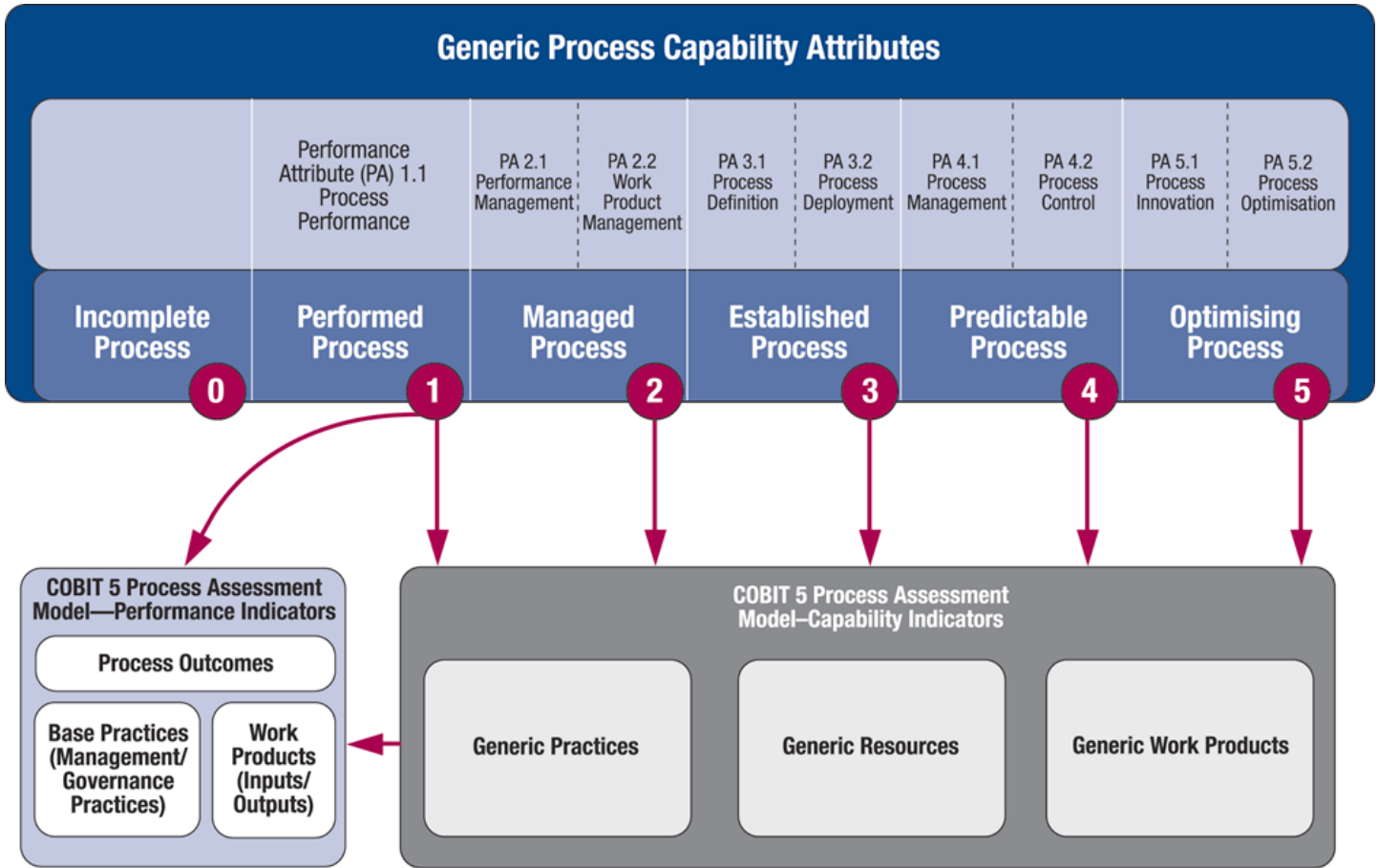


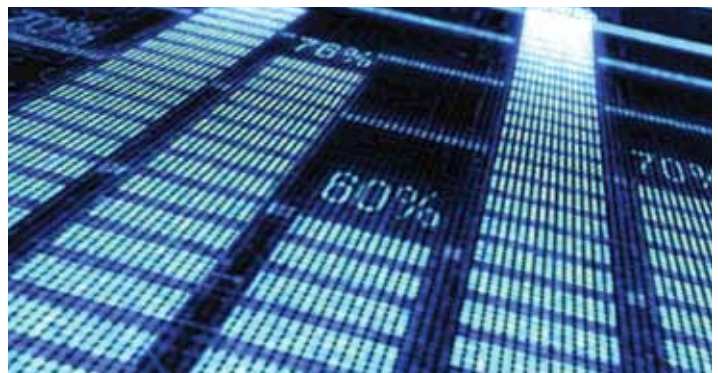
Figure 3: Adapted from “COBIT®5 A Business Framework for the Governance and Management of Enterprise IT,” Produced by ISACA (p. 42), 2012, Rolling Meadows, Illinois, USA: ISACA. Copyright 2012 by ISACA

### Measurement Scale

The measurement scale included in the Process Assessment Model has six levels of capability.

- **Level 0:** Incomplete
- **Level 1:** Performed
- **Level 2:** Managed
- **Level 3:** Established
- **Level 4:** Predictable
- **Level 5:** Optimizing

Levels one through five incorporate attributes that can help determine the process capability rating. Organizations must determine the capability level target that allows them to meet their goals. For example, when assessing an ITIL process such as incident management or request fulfillment, what is the return from targeting a Capability Level 5? Does the return provide enough value to justify the resources required to achieve and maintain this level or will a Capability Level of three provide enough value as the process is established within the enterprise?



## Rating Scale

The rating scale for the Process Assessor Model is defined in the ISO15504 standard and it includes four different options.

- 1) Not achieved – there is little or no evidence that the attribute is achieved.
- 2) Partially achieved – There is some evidence of an approach to and some achievement of, the defined attribute and some aspects of achievement of the attribute may be unpredictable.
- 3) Largely achieved – Evidence exists of a systematic approach to, and the significant achievement of, the defined attribute in the process. Some weaknesses may exist.
- 4) Fully achieved – There is evidence of a complete and systematic approach to, and full achievement of, the defined attribute in the process. No significant weaknesses related to this attribute exist in the process.

It is important for the rating scale to be used in a consistent manner to ensure the process assessment is meaningful and repeatable. The evidence reviewed, weaknesses, and the logic behind each rating should be carefully tracked.

As an example, if we determine that the incident management process is performing and the outcomes are what is expected, we would determine the process is performing at “Level 1 – Performed” on the measurement scale. We should document what evidence was provided to support this rating. We may have completed interviews and evaluated incident records as part of the assessment. This information should be thoroughly documented.

When using the rating scale, we are assessing attributes at the various levels within the measurement scale. We start with level 1 where we assess if the process is performing. Is the process achieving the intended purpose? In order for the process to achieve a level 1 capability on the measurement scale, the evidence must support a rating of “largely achieved”.

For example, if we are assessing the incident management process, the process must be achieving the expected outcomes to be rated at “largely achieved” in order to achieve “Level 1 – Performed” on the measurement scale. If the outcomes are not what is expected, the process is rated “partially achieved” and the capability level drops down to “Level 0 – Incomplete”.

In order to progress to assessing if the process is at “Level 2 – Managed” on the measurement scale, the incident process must be rated “fully achieved”. The process must be fully achieving the outcomes associated with “Level 1 – Performed” before you can begin assessing the attributes associated with “Level 2 – Managed”.

For each of the levels defined in the measurement scale, the PAM has defined base practices, inputs, outputs, and work

products which provide structure for understanding the types of evidence required to achieve specific attributes and achieve the capability level. While this information isn’t exact, the structure provides enough information for you to understand the types of documents that are associated with assessing each attribute.

In the example noted earlier, the enterprise goal “Customer-oriented service culture” was supported by an IT related goal “Delivery of IT services in line with business requirements”. There were several processes in the Process Reference Model that supported the IT goal. One of the examples provided was “Manage Service Requests and Incidents”.

When assessing the “Manage Service Requests and Incidents” process, the Process Assessment Model defines a process purpose and outcomes as well as several base practices such as defining incident and service request classification schemes, recording, classifying and prioritizing requests, resolving and recovering from incidents, and others. Work products such as incident tickets, incident response actions, communication, and emergency escalation procedures are also noted.

For “Manage Service Requests and Incidents”, capability level 1 is assessed by evaluating process performance based on evidence. Does the process achieve the intended purpose? Note that the evidence may not include a fully documented process however through observation, interviews, and documentation such as incident tickets and reporting, you would be able to determine if the process is achieving the intended purpose of increasing productivity and minimizing disruptions through quick resolution of user queries and incidents.

If process capability “Level 1 – Performed” is “fully achieved”, you would then begin assessing the process against the capability “Level 2 – Managed” requirements. Remember, at a minimum, the process must be rated at “largely achieved” to remain at a capability level rating of 1. When assessing level 2, the assessor would be evaluating the attributes associated with this capability level - Performance Management and Work Product Management.

When assessing “Manage Service Requests and Incidents”, the assessor would be focused on understanding if the process is “managed”. To “fully achieve” this rating, the assessor would review materials such as

- the objectives of the service request and incident processes,
- defined metrics and how they are monitored and reported,
- how processes are adjusted when business plans change,
- the understanding of roles and responsibilities in the organization,
- processes, procedures, and work instructions,
- and functional escalation processes and communication channels

In addition, both the incident and request processes work product need to be appropriately managed, perhaps with a controls matrix and a quality plan as well as an audit trail. All of the process and performance criteria noted help to ensure our incident and request processes are achieving the right results for the enterprise. It validates that our processes are being appropriately managed.

If the processes “fully achieved” capability “Level 2 – Managed”, you could then assess the attributes associated with the next level using the guidance and examples provided in the Process Assessment Model.

As noted earlier, organizations must determine the capability level target that allows them to meet their goals. They should set a target capability for their processes. Determining the capability level target will allow the organization to compare the current state capability level to the target level. Using the guidance provided within the COBIT PAM materials, you can develop a roadmap to mature critical ITSM processes and establish measurement intervals to understand progress.

The Process Assessment Model becomes an integral part of the continual service improvement cycle allowing the organization to understand both the current state as well as the effect of improvement activities.

## SUMMARY

Using COBIT 5 to assess ITSM processes is a solid business decision. The Goals Cascade and Process Reference Model help us to stay focused on the critical processes that support IT and the enterprise in achieving their goals. It helps to ensure we are targeting the right processes for investment.

The Process Assessment model further supports us in maturing our processes by providing a structured, repeatable methodology for understanding performance and capability. The model reduces the level of subjectivity in the assessment by providing guidance on assessment classes which drive the evidentiary requirements and it provides examples of the types of materials that you should

find for each of the process areas. The model is based on ISO15504, an industry recognized standard, which provides further credibility to the results of the assessment.

COBIT 5 should be a key part of every IT strategy. The components can be used in many ways to help generate value from IT for the enterprise. Using COBIT 5 to assess ITSM processes is one of several ways to use the framework to understand and improve the alignment and performance of IT.



### About the Author

Pam Erskine is nationally known for her work in IT transformation. She has over 20 years of experience in IT and today, she provides thought leadership, guidance, and training relating to organizational change, IT service management, innovation, design thinking, COBIT, and other good practices. She is one of ten ISACA designated COBIT Certified Assessors in the United States and she has led a number of transformation initiatives with measurable results in customer and employee satisfaction, efficiency, and effectiveness.

Pam’s passion for transformation led her to author “ITIL and Organizational Change” which provides guidance on how to gain acceptance of change in the workplace and practical advice on applying organizational change models to a Service Management initiative. She is active in various professional associations serving as President for itSMF USA and as a preliminary and final round judge for the American Society for Quality’s International Team Excellence Awards and the Education Team Excellence Awards.

### About APMG

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