

**ITIL 4 SPECIALIST: DRIVE
STAKEHOLDER VALUE
IN 1,000 WORDS**

**ENSURING DIGITAL AND I.T.
SERVICES DELIGHT**

INTRODUCTION

ITIL® 4 Specialist: Drive Stakeholder Value provides guidance on establishing, maintaining, and developing effective service relationships. It leads organizations on a service journey in their service provider and consumer roles, supporting effective interaction and communication.

It is one of four ITIL 4 publications, which build on the concepts introduced in ITIL 4 Foundation. Each of these publications focuses on a different aspect of service management.

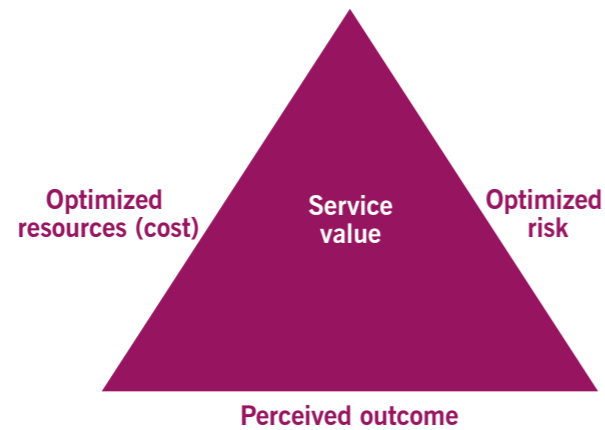
THE CUSTOMER JOURNEY

Service value is always co-created by users, customers, sponsors, service providers, and any other parties involved in the service. To drive stakeholder value, all stakeholders must contribute to the co-creation of service value throughout the customer journey.

Definition: The Customer journey

The complete end-to-end experience that service customers have with one or more service providers and/or their products through touchpoints and services interactions.

The ultimate purpose of the customer journey is to create service value; this is the optimal balance of service outcome, resources, and risk.



Customer journeys are important sources for customer experience (CX). Customer experience is the sum of the functional and emotional interactions with a service and service provider as perceived by a customer.

Each service consumer is different and should be treated differently. Personas may be used to summarize key characteristics for customer and user archetypes and help the service provider to understand their needs and aspirations.

By following the personas on their journey from touchpoint to touchpoint towards service outcome, a service provider can experience the customer experience first hand. With this insight, combined with design thinking, behavioral psychology, and cultural insight, the service provider will be able to design and master customer journeys that lead to unique customer outcomes and experiences.

The customer journey can be broken into seven steps.



The customer journey rarely follows a pre-defined path. Some journeys may follow a simple, well-defined, and logical path. However, most journeys are more complicated and develop from prior situations and transitions or follow a complex pattern and emerge dynamically.

STEP 1: EXPLORE – UNDERSTAND MARKETS AND STAKEHOLDERS

Explore is the first step on the customer journey, which may occur before a relationship between a customer and a service provider has been established. Both groups may explore their own needs as well as market opportunities for identifying partners that may contribute to the fulfilment of their respective needs.

When a consumer organization has identified its demand for service and the opportunities for satisfying this demand, the next step is to identify and evaluate internal and external options to source this service.

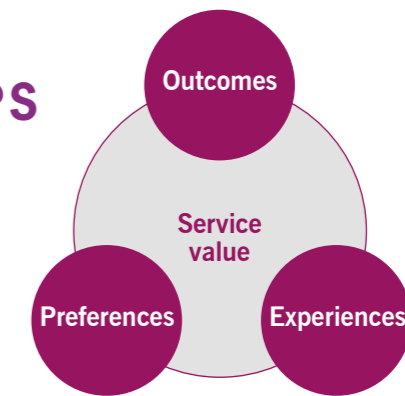
As far as the service provider is concerned, it must conduct market analysis and understand market segments including their characteristics and needs to target specific service consumers and their needs through value propositions, profiling, branding, and targeted marketing.

STEP 2: ENGAGE – FOSTER RELATIONSHIPS

The relationship between the service provider, service consumer, and other stakeholders is an important precondition for co-creating value through services.

The parties must have a shared understanding of expectations in terms of outcomes, experience, and preferences.

Communication is fundamental for building relationships and trust. The effectiveness of communication depends on the type of relationship between those communicating, whether it is a basic relationship, a cooperative relationship, or a strategic partnership.



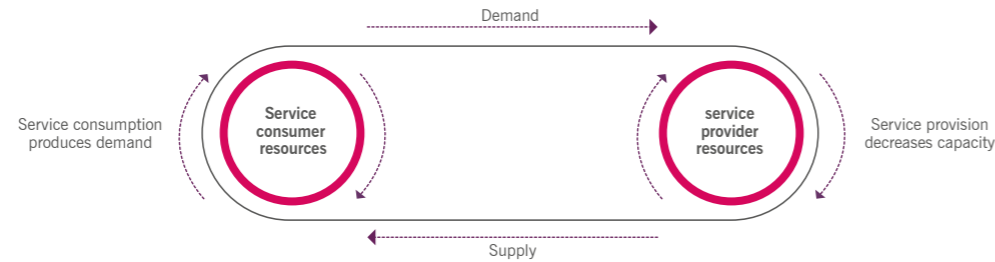
Fostering a good relationship includes creating environments where relational patterns can emerge, trust is built, and mutual needs and value as well as readiness and maturity are understood.

Supplier relations are equivalent to other service relationships and should be managed accordingly. The integration and orchestration of multiple suppliers is a special case of the supplier relationship.

STEP 3: OFFER – SHAPE DEMAND AND SERVICE OFFERINGS

The offer step helps the customer to articulate its needs and demands and the service provider to design matching service offerings

For services, demand and capacity are connected. To optimize service opportunities, service providers should adjust capacity and influence demand. A proper understanding of how their services are being used by different customer groups and segments is crucial. For example, through analysis of patterns of business activity and user profiles.



When needs and demand are understood and addressed, a business case for meeting the demand through new or changed products and services may be articulated.

Products and services can be designed only when the service consumer needs are well articulated and understood. Value-driven and data-driven service design implies an iterative approach based on frequent feedback, continual experimentation, and learning to ensure value co-creation in each step of the design process. Approaches such as Lean thinking, Agile development, user centered design, service design thinking, and service blueprinting support a value driven design process.

There should be a shared understanding of how and when value is co-created, tracked, assessed, and evaluated. In the service value system (SVS), the fulfilment of service consumer purposes is enabled by achieving service consumer objectives.

Achieving service consumer objectives is powered by the consumer's performance and the related experience. Service consumer performance is enabled by service performance and considered as utility and warranty. Finally, service performance is driven by the performance of the combined and individual resources, practices, and products.

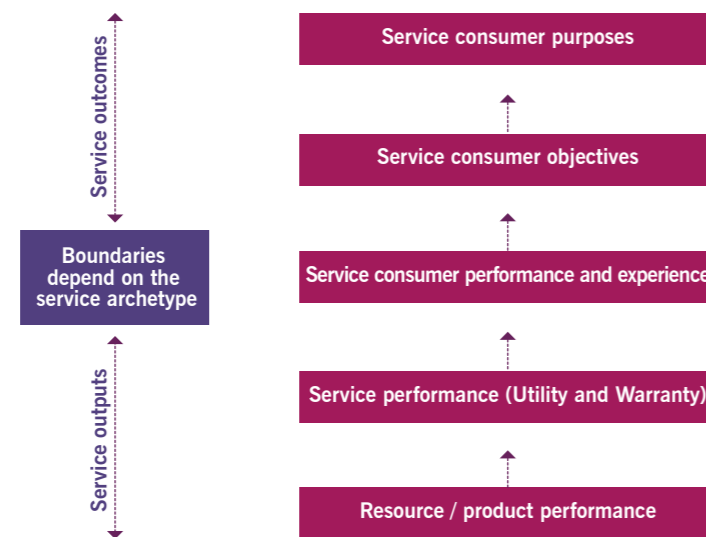
When there is a shared understanding of how and when value is co-created, the scope and quality of the service can be negotiated and agreed explicitly or implicitly. There are several ways to do this:

- obligation-based, typically by law or other legislation
- agreement-based, typically in the form of a service level agreement (SLA)
- promise-based, typically in the form of intentions, promises, and impositions
- based on social rules and expectations.

An agreement, whether formal or informal, should cover the expected service outcome, utility, warranty, and experience as well as other terms and conditions.

STEP 4: AGREE – ALIGN EXPECTATIONS AND AGREE SERVICE

To drive and track stakeholder value, expectations must be aligned, value co-creation mapped and planned, and the service scope and quality agreed.



STEP 5: ONBOARD – GET ON BOARD OR LEAVE THE JOURNEY

To proceed from agreement to service provision and consumption, the parties must undergo a transition that involves the integration or separation of the resources of the service provider and the service consumer. This approach should be defined as part of service design, and onboarding or offboarding activities should be planned, run, and controlled accordingly.

The main onboarding activities include fostering user relationships, orchestrating omnichannel access, enabling users for service, and elevating mutual capabilities, for example through training, facilitation of user communities, and super users.



STEP 6: CO-CREATE – PROVIDE AND CONSUME

When all parties are ready for service delivery and consumption, the most important step of the journey begins. All previous steps aim to enable this step and ensure that it will be successful.

To co-create value based on the agreed service offerings, the service consumer makes use of accessible service provider resources, consumes the goods provided, and acts together with the service provider.

The success of this step depends on the ability of the stakeholders to adopt a service mindset. A service mindset among others implies the following values and principles:

- know the other stakeholders and their expectations
- focus on value
- take responsibility
- show empathy
- acknowledge and adapt to culture
- encourage collaboration
- show generosity
- aim for a win-win situation or no deal
- do it right the first time
- seize the moments of truth
- show ingenuity, including intelligent disobedience
- do not behave unethically.

Mature practices for effective, seamless, and ingenious handling of user interactions, deviations and feedback, is key to value co-creation and user experience.



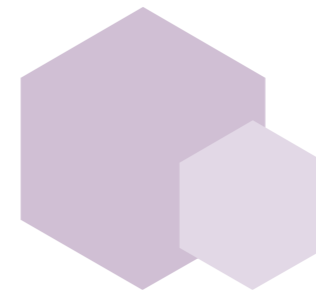
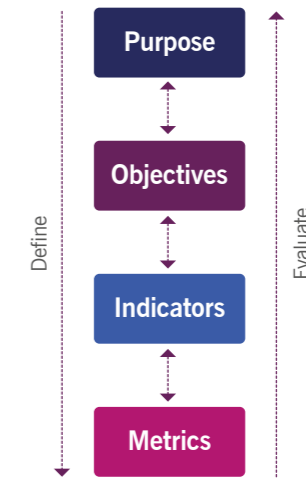
STEP 7: REALIZE – CAPTURE VALUE AND IMPROVE

Stakeholder value does not just realize; improvements must be applied to continually maintain and increase the service value.

Tracking and measuring service value requires the indicators. A service value indicator is a measure that either directly or indirectly indicates the situation or level of a specific aspect of service value.

Indicators reflect the achievement of an objective and are reinforced by one or more metrics. Metrics can be defined for customer journeys, services, products, practices, and resources of all four dimensions of service management.

In order to ensure that customers and users are satisfied with the service, and the whole customer journey, the service provider should not only measure and track service usage and outcome, but also customer and user experience to continually improve the customer journey and value co-creation.



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