THE ITIL 4 SERVICE VALUE CHAIN



The central element in the ITIL SVS is the Service Value Chain. **The service value chain is an operating model for the creation, delivery and ongoing improvement of services. It outlines the key activities required to create value in response to demand, through the creation and delivery of products and services**.

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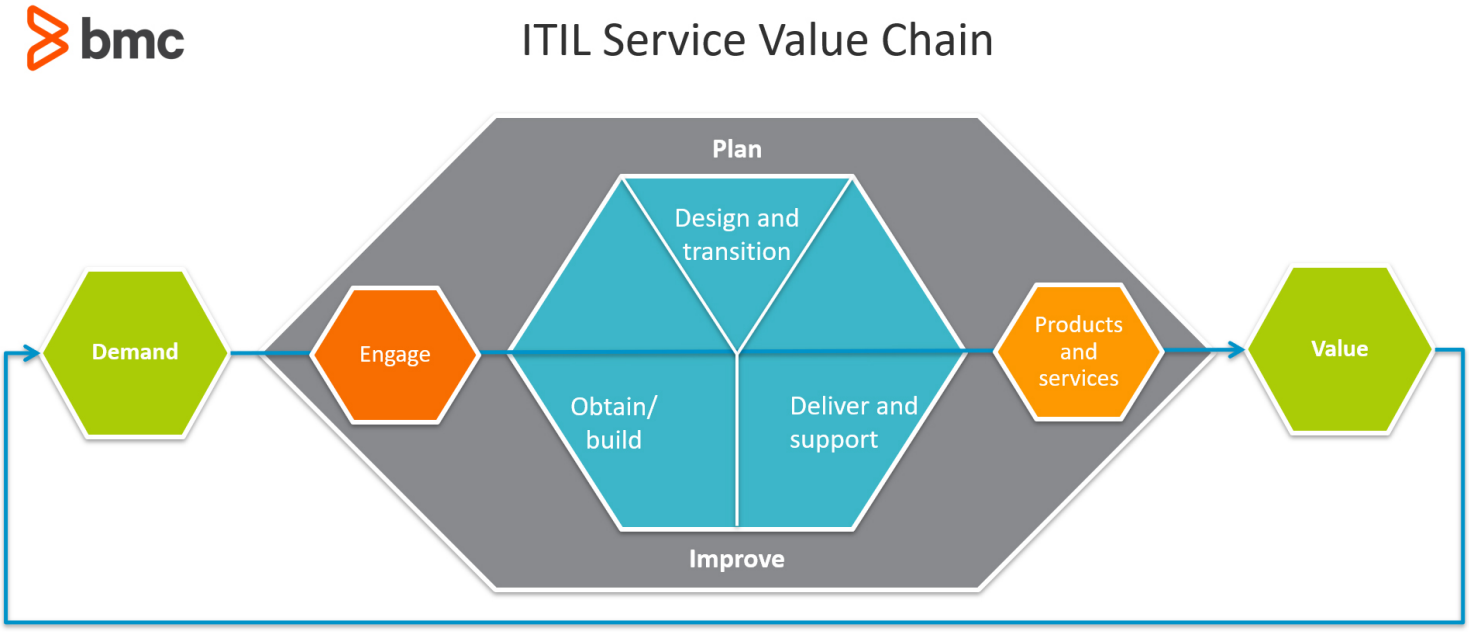


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In ITIL, there are six activities in the service value chain which represent the steps an organization takes in the creation of value:

1. ***Plan***
2. ***Engage***

3. ***Design and Transition***
4. ***Obtain/Build***
5. ***Deliver and Support***
6. ***Improve***



Each activity contributes to the value chain by transforming specific inputs into outputs. The inputs could be demand from outside the value chain, or outputs of other activities, while the transformation is facilitated by ITIL practices, undertaken using internal or third-party resources, processes, skills, and competencies.

Let us look at each activity in detail, specifically the purpose, inputs and outputs. As each value stream is made up of a different combination of activities and practices, the inputs and outputs listed will not always apply, as they are specific to particular value streams. The lists of inputs and outputs given are not prescriptive, and they can and should be adjusted when organizations design their value streams.

1. Plan

Purpose	To ensure a shared understanding of the vision, current status, and improvement direction for all four dimensions and all products and services across the organization.
Inputs	• Policies, requirements, and constraints, provided by the organization's governing body • Consolidated demands and opportunities, provided by ***engage*** • Value chain performance information, improvement initiatives, and plans, provided by ***improve*** • Improvement status reports from ***improve*** • Knowledge and information about new and changed products and services from ***design and transition***, and ***obtain/build*** • Knowledge and information about third-party service components from ***engage***

Outputs

- Strategic, tactical, and operational plans
- Portfolio decisions for ***design and transition***
- Architectures and policies for ***design and transition***
- Improvement opportunities for ***improve***
- A product and service portfolio for ***engage***
- Contract and agreement requirements for ***engage***

2. Engage

Purpose

To provide a good understanding of stakeholder needs, ensure transparency, and maintain continual engagement and good relationships with all stakeholders.

Inputs

- A product and service portfolio provided by ***plan***
- High-level demand for services and products, provided by internal and external customers
- Detailed requirements for services and products, provided by customers
- Requests and feedback from customers
- Incidents, service requests, and feedback from users
- Information on the completion of user support tasks from ***deliver and support***
- Marketing opportunities from current and potential customers and users
- Cooperation opportunities and feedback, provided by partners and suppliers
- Contract and agreement requirements from all value chain activities
- Knowledge and information about new and changed products and services from ***design and transition***, and ***obtain/build***
- Knowledge and information about third-party service components from suppliers and partners
- Product and service performance information from ***deliver and support***
- Improvements initiatives and plans from ***improve***
- Improvement status reports from ***improve***

Outputs

- Consolidated demands and opportunities for ***plan***
- Product and service requirements for ***design and transition***
- User support tasks for ***deliver and support***
- Improvement opportunities and stakeholders' feedback for ***improve***
- Change or project initiation requests for ***obtain/build***
- Contracts and agreements with external and internal suppliers and partners for ***design and transition***, and ***obtain/build***
- Knowledge and information about third-party service components for all value chain activities
- Service performance reports for customers

3. Design and Transition

Purpose

To ensure that products and services continually meet stakeholder expectations for quality, cost, and time to market.

Inputs

- Portfolio decisions, provided by ***plan***
- Architectures and policies, provided by ***plan***
- Product and service requirements, provided by ***engage***
- Improvement initiatives and plans, provided by ***improve***
- Improvement status reports from ***improve***
- Service performance information, provided by **deliver and support**, and ***improve***
- Service components from ***obtain/build***
- Knowledge and information about third-party service components from ***engage***
- Knowledge and information about new and changed products and services from ***obtain/build***

Outputs

- Requirements and specifications for ***obtain/build***
- Contract and agreement requirements for ***engage***
- New and changed products and services for ***deliver and support***
- Knowledge and information about new and changed products and services to all value chain activities
- Performance information and improvement opportunities for ***improve***

4. Obtain/Build

Purpose

To ensure that service components are available when and where they are needed, and that they meet agreed specifications.

Inputs

- Architectures and policies provided by ***plan***
- Contracts and agreements with external and internal suppliers and partners, provided by ***engage***
- Goods and services, provided by external and internal suppliers and partners
- Requirements and specifications, provided by ***design and transition***
- Improvement initiatives and plans, provided by ***improve***
- Improvement status reports from ***improve***
- Change or project initiation requests, provided by ***engage***
- Change requests, provided by ***deliver and support***
- Knowledge and information about new and changed products and services from ***design and transition***
- Knowledge and information about third-party service components from ***engage***

Outputs	• Service components for ***deliver and support*** • Service components for ***design and transition*** • Knowledge and information about new and changed service components to all value chain activities • Contract and agreement requirements for ***engage*** • Performance information and improvement opportunities for ***improve***

5. Deliver and Support

Purpose	To ensure that services are delivered and supported according to agreed specifications and stakeholders' expectations.
Inputs	• New and changed products and services, provided by ***design and transition*** • Contracts and agreements with external and internal suppliers and partners, provided by ***engage*** • Service components provided by ***obtain/build*** • Improvement initiatives and plans, provided by ***improve*** • Improvement status reports from ***improve*** • User support tasks provided by ***engage*** • Knowledge and information about new and changed service components and services from ***design and transition***, and ***obtain/build*** • Knowledge and information about third-party service components from ***engage***
Outputs	• Services delivered to customers and users • Information on the completion of user support tasks for ***engage*** • Product and service performance information for ***engage*** and ***improve*** • Improvement opportunities for ***improve*** • Contract and agreement requirements for ***engage*** • Change requests for ***obtain/build*** • Service performance information for ***design and transition***

6. Improve

Purpose	To ensure continual improvement of products, services, and practices across all value chain activities and the four dimensions of service management.

Inputs	• Product and service performance information, provided by ***deliver and support*** • Stakeholders' feedback, provided by ***engage*** • Performance information and improvement opportunities, provided by all value chain activities • Knowledge and information about new and changed products and services from ***design and transition***, and ***obtain/build*** • Knowledge and information about third-party service components from ***engage***
Outputs	• Improvement initiatives and plans for all value chain activities • Value chain performance information for ***plan*** and the governing body • Improvement status reports for all value chain activities • Contract and agreement requirements for ***engage*** • Service performance information for ***design and transition***

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