



APMG-International™  
ISO/IEC 20000

# ISO/IEC 20000 White Paper

**itSMF International**  
*The IT Service Management Forum*

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## Foreword by Richard Pharro, CEO, APMG



In a bid to achieve competitive differentiation, access key government markets and drive down costs, growing numbers of IT service provider organizations are looking to achieve ISO/IEC 20000 certification.

ISO/IEC 20000 is the first international standard for IT Service Management. First published in 2005, and based on BS 15000, it was designed to align with ITIL® best practice guidance.

ITIL is a best practice framework that provides guidance for organizations wishing to improve the IT services they provide. Implementation of ISO/IEC 20000 builds on ITIL guidance and its best practice processes to enable conformance to the globally recognized ISO standard. Service providers must be independently audited to achieve certification, and undertake further audits every year to retain it.

The close relationship between ITIL and ISO/IEC 20000 enables companies to leverage their investment in ITIL and existing process improvement initiatives. Conformance to ISO/IEC 20000 demonstrates to a global audience the effectiveness of the organization's IT service management system and processes to suppliers, customers, staff and partners.

Indeed, ISO/IEC 20000 offers competitive advantage for a range of companies, including Outsourcers, ASPs and Government IT service providers. Achieving conformance helps organizations to drive down costs, improve the quality of core IT service management processes and improve access to key government markets. In addition, ISO/IEC 20000 conformance can significantly reduce the cost and time associated with conformance to regulations such as the Payment Card Industry Data Security Standard (PCI DSS). By improving insight into existing IT resources conformance to ISO/IEC 20000 can also transform the speed at which organizations realize the benefits of merger and acquisition activity.

This white paper provides an overview of the ISO/IEC 20000 standard and the way it builds on ITIL processes. It highlights the demands and benefits of ISO/IEC 20000 certification for organizations and qualifications for individuals. It explains the key role people play in achieving and maintaining conformance and creating a culture of proactive IT service delivery.

*Richard Pharro*

## Introduction

### SETTING THE SCENE

As the economic squeeze continues, organizations across the private and public sectors face a range of challenges. Cutting costs is just a given. At the same time, they face escalating conformance requirements while being tasked with becoming more competitive and achieving clear market differentiation.

How can these objectives be achieved in an era of cost containment? One of the key areas to address has to be the effectiveness of the IT operation. Efficient, well run and relevant IT services are key to driving innovation, achieving differentiation and creating a culture of continual improvement. However, in this challenging economic environment, organizations also need to minimize the risks associated with both day to day service delivery and innovative change.

Furthermore, they must also be able to demonstrate quality of service to new and existing customers in order to attain commercial value in a highly competitive marketplace.

Over the past few years, organizations have worked hard to address these challenges. Many have embraced the ISO 9000 standards for quality management, which are increasingly required for EU based operations. At the same time, thousands of organizations globally have turned to ITIL in order to increase the value of the IT services they deliver.

ITIL adoption has delivered a range of benefits, from reduced downtime to improved business relevance and the creation of a culture of proactive IT management. However, because ITIL is best practice guidance, rather than a standard, organizations struggle to demonstrate this improved quality to the marketplace.

As a result, there is a drive to achieve ISO/IEC 20000 certification in order to leverage this investment and expertise in ITIL and demonstrate operational competence. The ISO/IEC 20000 standard is rapidly gaining worldwide support. Government Agencies are starting to mandate certification for service providers who want to offer their services for government IT contracts. The US Air force requires ISO/IEC 20000 certification from sourcing providers and the UK National Health Service requires its major service providers to be certified.

Achieving ISO/IEC 20000 conformance demonstrates to other organizations, suppliers, customers, staff, partners and industry bodies that the service provider organization is a knowledgeable, competent supplier. They have shown they have the practices, procedures and management system controls in place to ensure services are provided effectively with customer satisfaction at the core.

By providing an opportunity to benchmark against the rest of the market, achieve competitive differentiation, and leverage the existing investment in ITIL, ISO/IEC 20000 offers clear financial and operational benefit. It is no surprise, therefore, that over 600 IT service provider organizations throughout the world have already become certified, with a multitude of others preparing for certification. These service providers come from all sectors – not just IT outsourcers providing external services, but internal service providers in finance, manufacturing, logistics, government, utilities and so on.

# ISO/IEC 20000 Overview

## BUILDING ON ITIL

First published in 2005, ISO/IEC 20000 is the international standard for IT Service Management. It is published by ISO, the International Organization for Standardization, based in Geneva, and has been adopted globally. It describes an integrated set of management processes for the effective delivery of services to the business and customers.

The standard is based on, and supersedes, BS 15000 a standard developed by the British Standards organization. It aligns with best practice guidance contained within the ITIL framework and is compatible with other IT Service Management frameworks and approaches, including components of ISACA's COBIT® framework.

The current version of ISO/IEC 20000 aligns closely with ITIL V2, and also includes elements of ITIL V3, such as supplier management. It also includes other elements outside the core scope of ITIL, such as business relationship management, and this is all contained within a quality management system which itself aligns with other pertinent standards such as ISO 9001, ISO/IEC 27001 etc.

The standard comprises several parts. **Part 1** is the formal specification and details the requirements which “promote the adoption of an integrated process approach to effectively deliver managed services to meet the business and customer requirements”.

**Part 2** is the code of practice and describes the best practices for service management within the scope of ISO/IEC 20000-1. It provides more detail about the processes organizations should follow to achieve the requirements laid out in Part 1.

**Part 3** gives guidance on scope definition and applicability of the standard. This is required to help understand the often complex supply chains involved in IT service management, particularly where many process areas and functions are outsourced.

**Part 4** expands on integration of processes.

**Part 5** provides an exemplar implementation plan.

During 2011, ISO intends to release an updated version of Part 1. The update will adopt some revised terminology to harmonize better with ISO requirements and will include clarification and expansion of some areas. However, it is not likely to have an impact on the fundamental process requirements which currently exist. It is anticipated there will be a straightforward transition path for existing and potential certificate holders.

Part 1 comprises ten sections. Many of the process names will be recognized by those familiar with ITIL.

- **Scope** – outlining the scope of the ISO/IEC 20000 standards.
- **Terms & Definitions** – explaining the terminology and requirements.
- **Requirements for a Management System** – Similar to other standards such as ISO 9001 and ISO/IEC27001, outlining the detailed management responsibilities, including resourcing, reporting, accountability and documentation.
- **Planning and Implementing Service Management** Documenting a formal plan for the overall management system including process integration and continual improvement.
- **Planning & Implementing New or Changed Services** – key to enabling the smooth implementation of new services, or major changes to existing services.
- **Service Delivery Processes** – including capacity management, service level management, information security management, budgeting and accounting for IT services, service reporting and service continuity and availability management.
- **Relationship Processes** – supporting business relationship management and supplier management in the end to end supply chain.
- **Control Processes** – configuration management and change management.

- **Resolution Processes** – incident management and problem management.
- **Release Process** – release management.

For companies that have already achieved ISO 9001 or ISO/IEC 27001 certification, the management system of ISO/IEC 20000 will be familiar. It follows the same plan-do-act-check methodology, linked to customer/business requirements using business metrics and reinforcing continuous improvement.

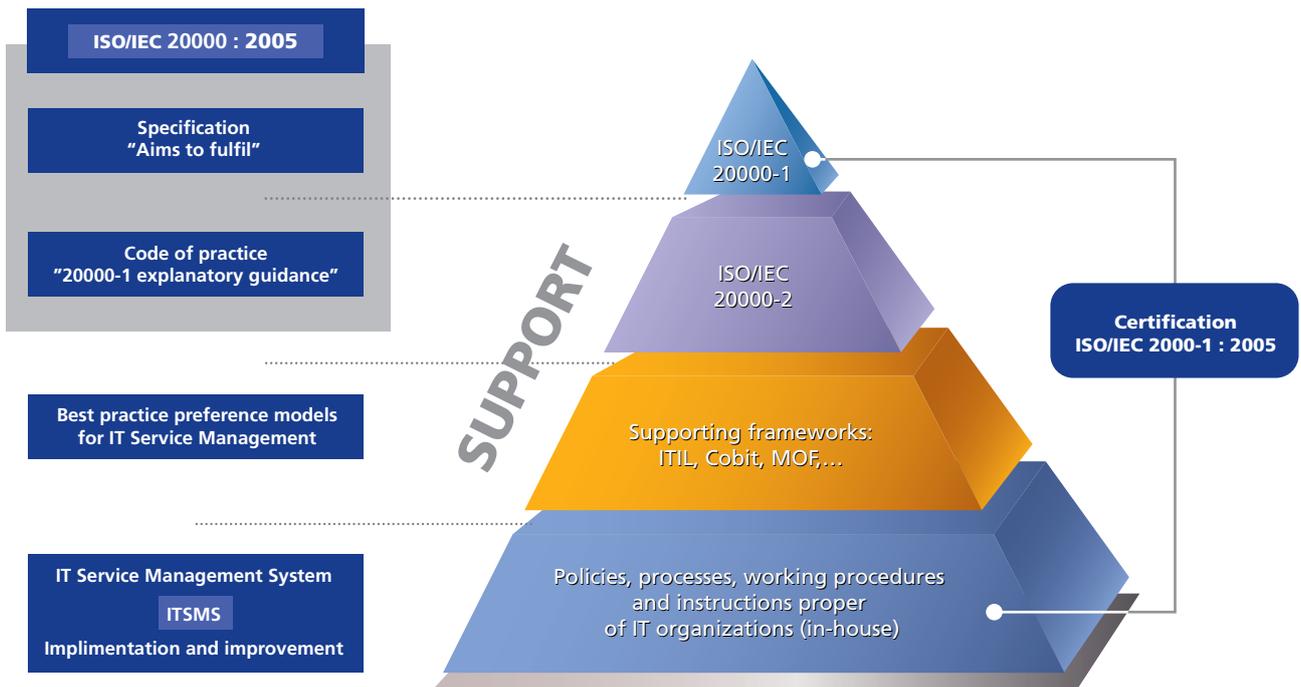
It demands the implementation of a management structure and system to provide accountability for every element of IT Service Management including a strong reporting structure, clear personal responsibility and supporting documentation. And, again following similar standards, it addresses the planning and implementation of the service management system aimed at achieving the goals of improving efficiency and effectiveness, customer satisfaction and continual improvement.

For those companies that have achieved ISO 9001

or similar certification, this core part of ISO/IEC 20000 should be reasonably straightforward, with demonstrable, proven management processes and structures already in place. This does assume, however, that the existing system encompasses the activities of IT Service Management to some degree.

Such organizations will then have to consider implementation of the actual service management processes, much of which ITIL practitioners will already be familiar with. The difference between ITIL and ISO/IEC 20000, however, is that ISO/IEC 20000 mandates tight integration of these service management processes into a quality management system, and defines precise requirements which must be met as opposed to giving ‘best practice advice’ which may or may not be adopted in a particular organization.

It is essential that IT service provider organizations put in place a sound project management plan with accurate timelines and costs for



ISO/IEC 20000 in the service management landscape

implementing the service management system and associated processes.

Many organizations will have already gained benefit from adopting some or all of the ITIL best practice processes, and that provides an ideal grounding for implementing them and others in an ISO/IEC 20000 quality management system.

Organizations must implement every one of the 13 service management processes mentioned above within the context of an integrated service management system and be able to demonstrate to their external, independent auditors that policies are established, processes are documented and that these are followed consistently.

It typically takes organizations up to two years to achieve ISO/IEC 20000 certification, although this

depends on their existing level of ITIL capability. The more advanced and mature the existing ITIL processes, along with existence of a relevant quality management system, the less effort will be required to integrate them into an ISO/IEC 20000 quality management system.

Certified service providers are subject to annual surveillance audits and are required to be recertified every three years to ensure ISO/IEC 20000 conformance is retained. It is therefore essential to attain buy in and commitment from IT service management personnel at all levels. Individuals need to understand the value of the proactive culture, to embrace opportunities to improve the relevance and timeliness of IT provision to the business and, critically, they need to understand why the business is taking this route.

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## Qualifications

Growing numbers of IT service provider organizations are looking to provide staff with ISO/IEC 20000 training and qualifications at an individual level to maximize the chances of project success, and to ensure ongoing conformance.

Qualifications are currently available in three areas.

The Foundation course provides an introduction to the concepts and principles of the standard in a typical implementation.

Practitioner courses are relevant to those who are involved in implementation of the standard.

The Auditor course is aimed at practising auditors who either are employed by a Certification body or work as internal auditors in an IT service provider organization.

These training courses contained within the ISO/IEC 20000 Qualification and Certification scheme are offered by a number of accredited training organizations globally.

## Benefits

### TRANSFORMING PERFORMANCE

So why is ISO/IEC 20000 important? Since only companies that have demonstrated they have implemented all of the service management processes within a quality management system framework can become certified, achieving certification provides clear competitive advantage for companies across many sectors including:

- Internal IT Service Provider Organizations in any sector
- Outsourcers
- Application Service Providers (hosted/cloud solutions)
- Government contractors.

Improving IT processes and, critically, the control, audit and documentation of these processes, is a key requirement for the many sectors now subject to tight regulations, including:

- Banks, Retailers and other merchants: Payment Card Industry Data Security Standard (PCI DSS)
- Insurance Companies: Model Audit Rule (MAR) regulation on solvency and corporate governance developed by the National Association of Insurance Commissioners (NAIC).
- Organizations needing to conform with Sarbanes-Oxley (SOX) requirements
- Utility Companies: Face strict new conformance rules, including Critical Infrastructure Protection (CIP).

For a business, ISO/IEC 20000 certification enforces a measurable level of effectiveness and creates a culture of continual improvement. It delivers a multitude of benefits that include:

- **Outsource core functions:** Once ISO/IEC 20000 is in place, and an organization has created its culture of proactive IT Service delivery, it is far easier to outsource the reactive elements to a third party, driving down costs and enabling the IT service delivery team to concentrate on adding tangible corporate value. ISO/IEC 20000 specifies that the interfaces between the outsourcers and the service providers have to be clearly documented and managed.
- **Competitive differentiation:** For outsourcing providers in particular, ISO/IEC 20000 offers a chance to achieve significant competitive differentiation. It also can drive down costs. For example, the integration of incident management with problem management can typically result in a large reduction in incidents. This has a huge impact on costs; increasing profitability in existing customer accounts and enabling more competitive tenders for new business.
- **Access to key markets:** With government, healthcare and military organizations now mandating ISO/IEC 20000 for their IT service

providers, any organization wanting to enter this market, or sustain an existing market position, must achieve certification. In the EU, organizations already need ISO 9000 certification; it is likely that a demand for ISO/IEC 20000 will follow. Organizations from all over the world are increasingly looking at certification as way of differentiating themselves and ensuring high levels of quality.

■ **Streamlined conformance activity:**

Organizations that adhere to the policies and processes of ISO/IEC 20000, especially the management procedures, have a strong foundation for conformance activity. Indeed, conformance with ISO/IEC 20000 is proven to drive down the cost of conformance to a multitude of regulations, from PCI, DSS to Sarbanes Oxley. For example, one utility company's CIP conformance effort was reduced by 50% because the company was already ISO/IEC 20000 compliant.

■ **Improved Merger & Acquisition (M&A):**

Leveraging ITIL practices to achieve ISO/IEC 20000 certification means that companies have a far better insight into the resources in place and what will be required to support both organic growth and any merged organization.

The result is that the right resources can be put in place in time, to maximise the success of the M&A activity.

■ **Continuous improvement:** Companies in this economic downturn want efficiencies now that can be leveraged to support expansion and profitable growth in the future. By enforcing conformance to the requirements, ISO/IEC 20000 drives highly effective and efficient management of IT services and promotes a culture of proactive service delivery that supports continual improvement.

■ **Demonstrable best practice:** Internal Service Provider Organizations that have achieved ISO/IEC 20000 certification are increasingly being heralded as market leaders, with competitors now encouraged to follow suit.

**For the individual:** ISO/IEC 20000 qualifications provide an opportunity to build up skills; to evolve beyond generic service management expertise and take companies through the ISO/IEC 20000 process. It enables individuals to leverage ITIL experience and develop new competencies. There is a demand for skilled ISO/IEC 20000 implementers in the market at the present time.

## Conclusion

In this marketplace, organizations need to drive down costs. But they also need to build a solid foundation for the future and achieve competitive differentiation, maximize the opportunities provided by merger and acquisition and ensure access to key markets.

The adoption of ITIL processes over the last decade has undoubtedly transformed the quality, relevance and timeliness of IT service delivery; it has enabled the creation of customer and business focus services and improved the cost/value equation.

Over 600 organizations globally have already recognised the value of certification to ISO/IEC 20000.

For most organizations the people cost is the biggest burden on the budget. Trained staff who understand the value of a process-oriented culture and work in tightly integrated teams within a recognized quality management system bring great value to the organization. It is the first step to becoming highly effective. The ISO/IEC 20000 professional qualification will give the organization a head start in achieving company certification and realizing true value from improved efficiencies and effectiveness.

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## Further information

[www.apmg-international.com](http://www.apmg-international.com)



### APMG-International

Head Office, Sword House, Totteridge Road  
High Wycombe, Buckinghamshire HP13 6DG

**Tel:** +44 (0) 1494 452 450

**Fax:** +44 (0) 1494 459 559

**Email:** [servicedesk@apmg-international.com](mailto:servicedesk@apmg-international.com)

**Web:** [www.apmg-international.com](http://www.apmg-international.com)