ITIL®

Services: Definitions and Types

Services are a means of delivering value to customers by facilitating the outcomes customers want to achieve without the ownership of specific costs and risks. Services facilitate outcomes by enhancing the performance of associated tasks and reducing the effect of constraints. These constraints may include regulation, lack of funding or capacity, or technology limitations. The end result is an increase in the probability of desired outcomes. While some services enhance performance of tasks, others have a more direct impact – they perform the task itself.

Services can be Discussed in Terms of How They Relate to One Another and Their Customers, and Can be Classified as Core, Enabling or Enhancing.

Core Services

Core services deliver the basic outcomes desired by one or more customers. They represent the value that the customer wants and for which they are willing to pay. Core services anchor the value proposition for the customer and provide the basis for their continued utilization and satisfaction.

An example of a 'core service' might be email, without which most organizations cannot survive.

Enabling Services

Enabling services are services that are needed in order for a core service to be delivered. Enabling services may or may not be visible to the customer, but the customer does not perceive them as services in their own right. They are 'basic factors' which enable the customer to receive the 'real' (core) service.

An example of an 'enabling service' is the network required to deliver the email service to the users. They are not really aware of it, but without it, the email service could not be delivered.

Enhancing Services

Enhancing services are services that are added to a core service to make it more exciting or enticing to the customer. Enhancing services are not essential to the delivery of a core service, and are added to a core service as 'excitement' factors, which will encourage customers to use the core service more (or to choose the core service provided by one company over those of its competitors).

Using our core service email example, an 'enhancing service' associated to the core might be the ability to access the email service remotely, through a web-based portal or the use of smart phone access to email. It is not an essential element of the core service functionality but adds something that provides value and customer satisfaction.

Service Packages

Services may be as simple as allowing a user to complete a single transaction, but most services are complex. They consist of a range of deliverables and functionality. If each individual aspect of these complex services were defined independently, the service provider would soon find it impossible to track and record all services.

Most service providers will follow a strategy where they can deliver a set of more generic services to a broad range of customers, thus achieving economies of scale and competing on the basis of price and a certain amount of flexibility. One way of achieving this is by using service packages. A service package is a collection of two or more services that have been combined to offer a solution to a specific type of customer need or to underpin specific business outcomes.

A service package can consist of a combination of core services, enabling services and enhancing services. Where a service or service package needs to be differentiated for different types of customer, one or more components of the package can be changed, or offered at different levels of utility and warranty, to create service options. These different service options can then be offered to customers and are sometimes called service level packages.

A Casual Conversation at the Water Cooler, About the Definition and Meaning of Services

Figure 2.1, Service Strategy, Axelos copyright

Operations Manager: I must ask, do you have a definition for services?

Strategy Manager: I believe services are a means of delivering value by facilitating outcomes customers want to achieve without the ownership of specific costs and risks.

Operations Manager: What would that mean in operational terms? Give me a few handles.

Strategy Manager: Well, services facilitate outcomes by having a positive effect on activities, objects and tasks, to create conditions for better performance. As a result, the probability of desired outcomes is higher.

Operations Manager: But without the ownership of costs and risks? Customers cannot wish them away.

Strategy Manager: No, they can not, but what they can do is let provider take the ownership. That's really why it is a service. If customers manage it all by themselves, they wouldn't need a service, would they?

Operations Manager: Aha! Because the provider is specialized with capabilities for with those costs and risks.

Strategy Manager: Yes, and also because the customer would rather specialize in those outcomes.

Operations Manager: And also because the provider can potentially spread those costs and risks across more than one customer.

Strategy Manager: Let's write a book on service management!