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Using ITIL® at the IRS: A business journey

Case Study
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Introduction

The Internal Revenue Service (IRS) is a bureau of the Department of the Treasury in the USA. In the fiscal year 2009, the organization collected more than \$2.3 trillion in revenue and processed more than 236 million tax returns. For every \$100 it collected in the financial year 2009, it spent just 50 cents.

In its five-year strategic plan, covering the period 2009 to 2013, the Commissioner of Internal Revenue, Douglas Shulman said, 'To succeed we will need to excel at both service and enforcement to meet our mission: it isn't an either/or proposition. To succeed, we will support [our] goals by investing in two strategic foundations – our people and our technology. We will strive to make the IRS the best place to work in government. We will give our people the technology they need to improve efficiency, ensure privacy and security of data and target the highest risk areas of abuse and tax fraud.'

In order to meet the goals outlined by Shulman, the IRS's Modernization Information Technology Services (MITS) organization began the process of assessing its IT environment to better understand what changes could be made in the context of best practices that would improve the end-user experience delivered to business units and taxpayers on a daily basis. As you can imagine, with a staff of 8,000 providing technology and management support for 102,000 IRS workers operating across the United States, this was no easy task. After several months of research and analysis, ITIL® was chosen as the preferred service management framework for the IRS to operate under.

The beginnings

ITIL is a service management framework. Published in June 2007, ITIL V3 gives organizations guidance on how to transform their IT departments from cost centres into service delivery centres. Focusing on issues like problem, incident, change and request management, ITIL V3 helps organizations deliver transformational change.

Teresa Stamm, HR specialist in the Modernization and Technical Training Section of the IRS, leads the team responsible for developing and rolling out IT service management (ITSM) training programmes to MITS workers operating across the United States. 'ITIL has become an integral part of MITS,' Stamm says. 'It was quite a long process, starting with an assessment of whether it would be better to outsource our end-user equipment and services (EUES) capability or continue to support it internally.'

'It took about a year's worth of research before we decided to keep things internal and use ITIL as the framework to manage the internal environment. We wanted a model that would make our work more streamlined, organized and repeatable, enabling us to deliver a quality and timely service to our customers while cutting costs. ITIL was chosen as the best way to accomplish this,' she says.

As there was no formal adoption of ITIL in the IRS, MITS had to start from scratch. 'People were getting ITIL training mostly in ITIL V2, but it was on an individual basis,' Stamm says. 'Although that was fine by itself, we wanted to base our activities in EUES on ITIL V3, and to do this we needed to get the management team on board and establish a programme that enabled everyone to be trained in ITIL in a consistent way.'

Rick Lemieux, Vice President of Sales at itSM Solutions, and Lou Biscardo from Protech Training have been helping the IRS roll out its ITIL training programme from the beginning. 'ITIL V3's focus on continual service improvement and putting the customer first fit well with the IRS's objectives, so we took some time educating the executive teams on the benefits of ITIL V3. This wasn't a hard sell because everyone could see the synergy there, but understanding the fit doesn't mean you can roll it out instantly. Decisions had to be made about what kind of training was going to suit the organization; who would benefit from training and how the IRS could better leverage funding,' Lemieux says.

Training started with the Business Plan Resumption team. 'We conducted a number of ITSM orientation classes focused on helping IRS management understand the value and benefits of ITIL V3. It was essential we had senior management support from the start. Their involvement in the actual training as well as ensuring funding and support was critical to the effort,' states Stamm.

Making the training work

Classroom ITIL foundations training for all staff was financially out of reach due to costs and time constraints. Since it was not practical to send large numbers of people out to training centres, itSM Solutions came up with an online self-paced model that aligned perfectly with the budget and completion goals set by the IRS.

'The suggestion to deliver the training in an online self-paced format has enabled us to train an entire organization that would not have received the training in a timely manner otherwise,' Stamm says. 'Delivery of online self-paced classes eliminated the travel fund aspect. Management has been supportive in submitting people as participants for the classes and even though workloads have been tremendous, they are all managing to finish the classes on time.'

Having now gone through a good portion of the foundation training, the IRS is beginning to register a select number of students for the intermediate specialist training programmes, including those who will become ITIL experts and the champions of ITSM within their departments.

Other organizations within the IRS that are considering using ITIL as the basis of their operations are closely monitoring the MITS programme. 'If all goes well here we expect that other

departments within the IRS will adopt this method of training as a way to take their organization to the next level of capability within the ITIL framework,' says Stamm.

Stamm reflects that the greatest challenge has been delivering the self-paced classes effectively, keeping students alert to approaching deadlines and assisting with any support issues that may surface: 'Our staff are very busy and many have hands-on customer service work so finding the uninterrupted time to train has been an issue for some.' Stamm continues, 'The reports that itSM Solutions provides us with as part of the programme enable the IRS to stay on top of students who might get sidetracked due to project or personal commitments.'

Going forward

MITS has set up an ITSM mentoring community where users can ask questions pertaining to what they have learnt in the ITIL sessions and how these relate to their real world jobs.

Ultimately MITS and the wider organization are looking to develop highly skilled and knowledgeable individuals, who are experts in their field and have an acute sense of the needs of their customers.

'We want to deliver a high quality of service to our customers. ITIL helps us focus on our customers through excellent service delivery. It's a journey I would recommend to any organization that needs to align IT with the business,' says Stamm.

Acknowledgements

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