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Vol. 2.33

AUGUST 23, 2006



"Vital Business Function Truths"

DITY Weekly Reader

The workable, practical guide to Do IT Yourself

Many mistakenly think a Vital Business Function (VBF) is an important business function like accounts payable, or even better, accounts receivable. However, this is incorrect, and this misunderstanding results in significant business/IT alignment issues and increased costs to both the business and IT.



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By [Hank Marquis](#)

Almost everyone thinks they know what a Vital Business Function is, but in reality, many hold a mistaken understanding and are therefore not identifying or using them to improve IT service quality correctly.

From an IT Infrastructure Library® (ITIL®) perspective, a VBF describes some critical element of a business process underpinned by IT. A VBF is not normally an entire business function like accounts receivable or even accounts receivable, but rather a critical aspect of a business function.

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An often cited example is that of an Automated Teller Machine (ATM). A business critical aspect of ATM service is dispensing cash when needed. A not so critical element of an ATM service is printing receipts, which while important, is not so vital to customer retention. A VBF related to the ATM service is

dispensing cash. Neither the ATM service nor the printing of receipts is a VBF.

This is a critical distinction because when IT focuses on the wrong aspects of business functions it wastes money and other critical resources by “over engineering” the wrong solution for the wrong reasons.

Misunderstanding VBF can result in the classic business/IT alignment issue: downtime is decreasing, but instead of improving, customer satisfaction seems to be decreasing. This dilemma is due to IT focusing on traditional “top 10” lists and other technical driven measures instead of using VBF to prioritize IT operations.

The ITIL and many authors and trainers all mention VBF, but few describe what a VBF is, and fewer indicate how to define and use them. Following I discuss the real purpose of Vital Business Functions, how to establish them, and how to use them.

Vital Business Functions

Most of the problems associated with VBF come from not realizing what a VBF is. Another good example regarding VBF is the cell phone. Regardless of all the marketing hype and excitement about ring tones and cameras, the cell phone service VBF is the ability to send and receive calls -- without this basic fundamental capability, ring tones and photo taking are mute points.

Following this analogy to conclusion then, spending lots of IT resources supporting ring tones and cameras would be wasted effort if the VBF (send/receive calls) was not available. Clearly, some aspects of most business functions are more vital than others. These are the VBF that we in IT need to identify and support.

We in IT can only discover the real VBF through conversations with the business, customers, and users. Understanding IT at this level helps IT accomplish some important goals:

- Coordinates with Customers to understand what is important to the business
- Translates technical IT operational activities into business activities
- Provides an agreed listing of the important aspects of business on which IT should focus

Identifying VBF can be difficult since IT often thinks it knows what's best based on common sense, or at least what we in IT believe to be common sense.

How to Determine VBF

To determine VBF begin by identifying critical business services -- those services the business depends upon. These are business functions without which the organization cannot continue. Initially, set the bar high and choose only those services which if not operational could cost the business significant loss or penalty (legal, financial, environmental, goodwill, etc.) Focus on those business function(s) that must operate continuously or sustain only brief interruptions.

Work with customers to understand what is important to them, don't let your opinion of criticality cloud your understanding. ***A VBF is what the business and customers say that it is.*** IT has to learn that a VBF is what is important to the business and not what IT thinks ought to be important to the business.

However, we in IT may have to help the business and customers isolate the VBF from a larger understanding of the service. Not all customers understand what underlies IT services, nor can many peel apart the various aspects of a larger service into smaller parts. For that matter, most don't need to either, and it often only muddies the waters. Nevertheless, you must work with customers and the business to identify critical business functions, and uncover those aspects of the critical business function that are vital.

For example, working with your customers, it becomes clear that "web" is a critical business function. Don't stop here however; "web" is a huge application. What does "web" mean, exactly? You must get underneath the high-level word used by customers to something more specific, perhaps on-line order taking. In this example, imagine you and your customers clarify that it's not the entire web site that must be available, but rather the ability for customers to check the status of orders and shipping.

From a business perspective and nomenclature, the "check the status of orders and shipping" aspect of the "web" service is the VBF. From an IT perspective, the most important service to maintain and improve is what underpins "checking the status of orders and shipping."

This is a subtle, but hugely important distinction as it aligns Business and IT. Customers feel that IT is responsive, understands their needs, and speaks their language. On the other end, IT feels empowered since it is aligned with the business and motivated to improve service and quality.

Document the VBF and create a "living document" that describes the VBF, why they are important. Circulate it to gain acceptance by Customers and the Business.

Once you identify the VBF, you need to identify IT services that underpin the critical business function. For example, using our web application example, essential IT infrastructure and organization probably include server and networking hardware, applications, internet access provider, administrators, and recovery policies and procedures. Again, this is a big list, so now reduce the list to specifics.

Add to the living VBF document a technical section as well. Circulate the now complete document

to IT to build awareness of business needs and increase business/IT alignment in the process.

Identify the essential product, people, and process resources required to maintain “check the status of orders and shipping.” This should be a smaller list, since the scope is reduced. Use the CMDB to identify related CIs. If there is no CMDB in place, talk to other IT staff to identify dependencies.

Using Vital Business Functions

Use VBF in Continuity Management, Capacity Management, and Availability Management:

- Continuity Management uses VBF in order to perform risk assessment, disaster avoidance, and recovery planning
- Availability Management uses VBF in the Availability Plan to design services and maintenance procedures that meet required availability targets. (Please see DITY vol. 1.2, “[Availability Management on a Budget](#)” for more.)
- Capacity Management uses VBF in the Capacity Plan to ensure adequate service capacity and performance. (Please see DITY vol. 1.3, “[Capacity Management on a Budget](#)” for more.)

Equipped with your list of VBF, and a mapping of IT Configuration Items (CIs) to critical business functions, you now have what you need to begin improving quality.

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