

## Louisiana Gas & Electric Energy LLC

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About three and a half years ago, LG&E Energy LLC was researching best practices for information technology services when company officials stumbled upon a concept that has revolutionized IT departments around the world. Called IT Infrastructure Library, ITIL for short, the library consists of a series of publications that describe a framework for delivering and managing IT services.

In the past, IT departments primarily have been self-contained entities that were focused strictly on running operating systems, fixing desktop computers and maintaining other IT equipment, said Suzanne Van Hove, principal in SED-IT LLC, a Louisville-based ITIL training firm.

But the ITIL concept is centered around IT services as opposed to IT systems. It encourages company leaders and IT professionals to think of IT as a business that serves customers, not only to improve the efficiency of operations, but also to ensure that IT is aligned with an organization's overall goals.

The ITIL framework doesn't outline specific steps that businesses must follow, but it shares with IT professionals best practices that they can customize to their organizations.

The heart of ITIL is what is called IT Service Management, which consists of 10 best processes -- five for service support and five for service delivery -- that, if implemented, can result in significant cost savings, improved services, clearly defined IT roles and ways to measure progress, Van Hove said.

Van Hove, a former University of Louisville professor, learned about ITIL while she was doing private technical consulting for Fortune 100 companies. Realizing it was the direction in which IT was moving, she formed SED-IT to move into the field.

Van Hove enlisted the help of two independent contractors who were highly involved with ITIL training on an international level, and between the three, SED-IT has served clients around the world. Then, a few months ago, another local training firm, Tandem Solution LLC, which specializes in high-end IT training, approached Van Hove about the two companies working together, said Tandem president Todd Frantz.

They teamed up to offer the training to local businesses, with Tandem Solution overseeing sales and marketing efforts and SED-IT conducting the training.

The cost varies depending on the needs of the client, but it ranged from \$1,495 for the three-day foundation course to \$7,500 for the 11-day manager's course. Although the price tag might seem high, Van Hove believes the benefits far outweigh the costs. In fact, she said companies typically save at least 25 percent in IT after implementing ITIL.

Officials with LG&E Energy, one of the pioneers in the Louisville ITIL arena, said it is too early to estimate cost savings because it has not been fully implemented.

But the company has seen benefits.

Jay Stuart, IT service level administrator for LG&E's IT department, introduced the framework to LG&E officials, who then spent six to nine months researching the framework before deciding to move forward.

It was a significant commitment to make, requiring resources of time and money as well as a shift in the company's approach to IT.

"When an organization implements (ITIL), it really brings about a culture change," Stuart said. "That gets the staff thinking about how their work affects the business."

Although it is a big transition, Stuart said, LG&E took steps to ensure that it was a smooth one and that the employees would "buy in" to the changes.

For example, all of LG&E Energy's 230 IT employees and 35 contractors started out on a level playing field, with each one required to attend the IT Service Management Essentials Course and to take the corresponding Foundation Certificate exam. (For more information about the three course levels and certifications, see item on page 49.)

Stuart was the first LG&E employee to take the exam. He has since earned a Practitioner's and Manager's Certificates.

Stuart's got his initial ITIL training in Chicago because sessions were not offered locally. But the energy provider was able to offer training on-site to the majority of its employees through SED-IT.

IT department officials also got employees involved by forming process teams to oversee and review procedural changes that were implemented as part of ITIL.

Some of the ITIL best practices that were instituted include:

- identifying all of the products and services the IT department delivers and compiling the information in a service catalog;

- re-evaluating the priority scheme to improve incident management;

adjusting terminology, such as changing the name of the help desk to the service desk to better reflect the fact that the IT department provides services to its internal clients;

analyzing a collection of incidents or one major incident to address problem management;

and instituting a Change Advisory Board to facilitate communication between IT areas about upcoming system or infrastructure changes.

So far, LG&E has implemented six of the 10 best processes called for in ITIL, including all of the five service-support processes and one of the service-delivery processes.

The other four service-delivery processes will be put in place in the near future, Stuart said, adding that implementation has been staggered to juggle existing workloads and resources.

While there is more work to be done, LG&E has seen positive results from the modifications that have been made so far.

Since implementing ITIL, Stuart said, LG&E has seen fewer "critical incidents," which refer to IT downtimes that affect several employees or hinder the energy provider's ability to operate. Through better management and collaboration under ITIL, the company has been able to prevent those more serious incidents from happening.

The one change that probably has had the most impact is the addition of the Change Advisory Board, which oversees IT operational changes for the company, such as altering the format of an existing report or upgrading operating systems.

With the board, there has been a greater flow of communication between the different functional areas, which were "siloeed" in the past, he said, so it has been a "tremendous growth opportunity for our organization."

It was at an IT trade show where Stuart stumbled across someone else in Louisville who was knowledgeable about ITIL. Scott Moore, who later formed Treagon Technologies LLC, a local consulting firm that assists companies with the implementation of IT Service Management, was giving an ITIL presentation at the event.

In March 2003, Moore and LG&E officials formed the Ohio Valley Local Interest Group, the regional affiliate of ITSMF USA. The Ohio Valley Local Interest Group, which includes Lexington, Cincinnati and Dayton, Ohio, and Indianapolis, was only the third local interest group formed in the country.

To date, the chapter has about 60 members who meet every other month to discuss ITIL. And Stuart, who serves as president of the Ohio Valley Local Interest Group, said he expects the group to continue to grow.

"If folks are not looking at this already, they will be in short order," Stuart said.

He added that the "explosive" growth of ITSMF USA "has been a tremendous signal to me and to this organization as to how pervasive this has become and the way IT (professionals are) choosing to do business."