

CASE STUDY REPORT FOR
ITIL IMPLEMENTATION IN
MERCANTIL BANK



GRADUATE BUSINESS SCHOOL

Master of Business Informatics

Subject: IT Service Management and Strategy

MBIE/PGDBIE2303-8150

Prepared by:
Anushka Naiduwawadu (105447)
Chamila Dissanayake (105501)
Lesly Widyaratne (105534)



Assignment 2A

WORD COUNT: 2936

Contents

1. Introduction.....	3
2. TASK 1	4
2.1 Goals, objectives, IT services, and operations of MBNA.....	4
2.2 Importance of aligning IT services and operations with goals and objectives	4
2.3 How MBNA delivered value through IT services.	4
3. TASK 2.....	5
3.1 Importance of service science to ITSM	5
3.2 Use service science to improve ITSM in MBNA	5
4. TASK 3	6
4.1 Challenges before ITIL implementation at MBNA.....	6
4.2 Importance of implementing an ITSM framework and how it addresses challenges..	6
5. TASK 4.....	7
5.1 How business objectives and IT Strategy are aligned to provide quality IT services .	7
5.2 Process of implementing ITIL framework.....	7
6. Task 05.....	8
6.1 The opportunities and key challenges faced during the implementation of ITIL.....	8
6.2 Recommendations for addressing the challenges.	9
7. Task 06.....	9
7.1 Analysis of Incident Management and Change management processes	9
7.2 Effective Management of the Incident Management and Change Management.....	11
8. Conclusion	12
9. References.....	12
Figure 1- Steps of incident management	10
Figure 2- Steps of the change management	11

1. Introduction

This study aims to identify the importance of the Information Technology Infrastructure Library (ITIL) to the Information Technology Service Management (ITSM) of MBNA, N. A. (MBNA) and how it impacted the whole value creation process of the banking system of MBNAs to its shareholders and stakeholders (Urdaneta, 2018).

Though MBNA was the name of the bank at the time ITIL implementation, its name was changed to Amerant in June 2019. However, this document will continue to refer to the bank as MBNA. It is the largest community bank headquartered in Florida with 23 centers: 16 in South Florida and 7 in Houston Texas (Gables, 2019).

Modern banking solutions offer digitalization of banking functions which enables customers to have more convenient, virtual banking space and this process is heavily dependent on proper ITSM structure within the bank. Failure in ITSM will result in interruption and failure in banking operations which will lead to harmful damage to the whole business perspective of the banking operation.

2. TASK 1

2.1 Goals, objectives, IT services, and operations of MBNA

MBNA is flexible, energetic, and proactive to foresee the individual requirements of the customers in an ever-changing business and economic environment and had over 35 years of experience with healthy customer relationships by the time they started ITIL implementation. The customer is at the forefront in everything they design. They believe that their unwavering success is a result of the sincere focus to whom they provide service and their extensive contribution to the communities in which they operate. Their ultimate objective is to become the most sought-after bank in the communities they serve by going the extra mile with necessary advice in addition to the products and services aiming for financial success.

2.2 Importance of aligning IT services and operations with goals and objectives

The bank provides a wide variety of banking services, and its IT services have been aligned with the business to ensure the bank operations remain uninterrupted throughout avoiding financial losses and banking guidelines breaches. IT provides the necessary IT infrastructure to ensure business continuity. The internal IT process of the organization is aligned with the business operations with the help of best practices of ITSM. Customer expectations in terms of financial services are heavily dependent on technological nature and to be competitive in the market it is vital to align the business objectives with the IT strategy by providing convenient innovative solutions to customers (Angarola & Horvat, 2021).

2.3 How MBNA delivered value through IT services.

Before ITSM framework was implemented, internal IT was not proactive in identifying the issues, but after adopting ITIL as ITSM framework, the IT team was able to make fact-based information available to improve the service delivery. In fact, ITIL made them realize that each process needs a process owner who works with IT to optimize the processes reaping the capabilities of IT. Furthermore, ITIL implementation made the bank aware of the best practices of a banking service and hence augmented the services to industry standards. MBNA has adopted service level management, change management, knowledge management, problem management, incident management, and request fulfilment process of ITIL to improve their ITSM practices to optimize banking services to the customer, and they are planning to implement knowledge management process also to establish a knowledge base so that the staff do not need to waste their time and effort looking for know-how elsewhere.

3. TASK 2

3.1 Importance of service science to ITSM

Service science emphasizes the design, development, and management of service systems which are continuously improved by envisaging customer requirements to deliver effective and efficient services to the customer. In fact, service science merges human and organization understanding with technological, and business understanding to design service systems (Maglio et al., 2019). In terms of ITSM, service science is about optimizing the delivery of IT services aligning with the business requirement of the organization to meet the expectations of the customer.

3.2 Use service science to improve ITSM in MBNA

ITIL processes are grouped into five major volumes as service strategy, service design, service transition, service operation, and continual service improvements with the aim of delivering value to the customers. Meanwhile service science is also built on principles focusing customer requirements, service design, service quality, service performance, service operations, and relationship management, and value creation is a result of thoughtful action and effective communication between organizational teams (Maglio et al., 2019). By adopting the methodologies, models, and tools of service science, ITSM too can be optimized to deliver the best value to customers.

MBNA has a goal to become the bank of choice where they serve. Customer centric approach is important to achieve the expected goal. Banking organizations are so competitive that they strive to address customer expectations with a seamless service through advancing technologies such as artificial intelligence, business analytics, big data, social platform, and mobile apps to become the best in the industry to grow their customer base (Maglio et al., 2019). It is critically important for business teams to work together with the IT of the organization to identify the sensitive points of the business flow and ways to make the business process more efficient and convenient to the customer to achieve that objective, because MBNA designs everything having a customer in mind. Due to the continuous innovation and fast-paced change in information technology, the process improvement liaising business teams with IT teams is a never-ending process which is the inherent nature of evolving service science (Léonard & Drăgoicea, 2021). This could be used as the guiding principle for rearranging the roles and responsibilities of banking structures as per the business dynamics.

4. TASK 3

4.1 Challenges before ITIL implementation at MBNA

Marcentil Bank failed to identify the difference between a request and an incident as all IT-related matters come through a single funnel. It made it difficult to prioritize their responses.

Its ITIL non-compliant ticketing system failed to keep track of user tickets once been to IT, and as a result, the status of user tickets was unknown.

There were only two service level agreements where 3 days were allocated for failures, and 30 days were the resolution time for requests. According to MBNA, this was an issue as every request did not take 30 days, but this time period is too long for most of the requests by prevailing standards of the majority of the organizations.

The information security team used Microsoft Access database as Configuration Management Database (CMDB), and it was updated manually. This prevented them from maintaining reliable logs and it is a breach of security. Furthermore, the IT team did not have an interface to it, and its content had multiple discrepancies. Obsolete applications were retained in the system, and names were incorrect. Also, there were systems without an owner.

In the absence of a proper change management process, there were uninformed server shutdowns affecting the users. Also, this made troubleshooting less efficient, and identified root cause problems by the trial-and-error method.

4.2 Importance of implementing an ITSM framework and how it addresses challenges

ITSM consists of processes, policies, and activities focused towards delivering, managing, and improving IT services of an organization to meet the needs of the organization itself and its customers. As the focus of the bank is to provide innovative solutions to its customers in today's environment, proper ITSM is a vital factor to provide efficient and effective services competitively (BDO, 2020). When implementing ITSM improvements to the bank major opportunities such as high-level of service standards, minimum process time, and quick and easy automation process are key opportunities that occur to the bank, and with these opportunities, the bank is blessed with a high level of service standards to its customers making the banking process more convenient to its stakeholders (Mourad and Johari, 2014).

5. TASK 4

5.1 How business objectives and IT Strategy are aligned to provide quality IT services

As a IT places a significant role in any business today, to reap the maximum out of IT capabilities, IT strategy alignment with the business objectives are extremely important.

The first step in aligning business objectives and IT strategy is to have a clear understanding of the organization's overall goals and objectives. This includes understanding the industry landscape, competitive challenges, customer expectations, and the organization's vision for growth and success. By closely collaborating with business stakeholders, IT leaders can gain insights into the specific business objectives and priorities that IT services should support. Then, IT leaders can formulate an IT strategy that aligns with those objectives. The IT strategy should outline how IT services and capabilities will be developed, deployed, and managed to meet the organization's needs. It should consider factors such as technology trends, budget constraints, resource availability, and risk management. The IT strategy should be driven by a clear understanding of how IT can contribute to achieving business goals.

5.2 Process of implementing ITIL framework

1.Discover the current state: This evaluates the existing ITSM processes within the organization. Through that evaluation, it helps to identify the strengths and weaknesses. Under above Task 4, the weaknesses of MBNA has been filtered as challenges prior to ITIL implementation.

2.Define objectives:Clear objectives give clear guidance to the ITIL implementation. The objective needs to include the purpose of the implementation such as IT service quality enhancement, reducing the cost or enhancing the efficiency.

3.Obtain executive support:Secure the continued support and approvals from the executive management and stakeholders is required before implementing ITIL in any organization. It helps to forester organizational support to ensure the success of ITIL implementations. In MBNA, bank senior management approval was required to implement ITIL framework.

4.Building ITIL team: This team should be comprised with expert knowledge personnel. The main responsibility of this team should be to overlook the implementation process, coordinate the activities and facilitate as a communicator. Apart from that, this team should initiate to drive the successful adoption of ITIL.

5. Training & Awareness programs: The main objective of this stage is to conduct training sessions, and workshops for all staff members of the organization. The training increases the knowledge relating to the awareness and understanding of ITIL components, such as service lifecycle stages, processes, and functions. MBNA identified the issue in advance, and 15 key personnel became certified in ITIL Foundation to embrace the new culture.

6. GAP Analysis: Under this stage, it identifies the knowledge gap between predetermined ITIL standards and current statutes of the process. This analysis helps identify areas where improvements and changes are required to align with ITIL best practices.

7. Development & implementation Plan: Based on the above gap analysis, the comprehensive implementation plan needs to be generated including specific steps, timelines, and resources required for each phase of the ITIL adoption. It should mainly focus on organizational key objectives.

8. Implementation process: Based on service management, incident management, or change management, organizations commence the implementation process gradually. The process must be aligned with the organization's key goals and area to be improve.

9. Key performance indicators (KPI's): As identified with ITIL team and executive committee of the organization, KPIs need to be introduced to measure the progress of the process and effectiveness of the ITIL implementations. This mainly helps to identify the weak area and it facilitates further improvements.

10. Monitoring & communication: This is the key component of the ITIL implementation process. Regular updates of the process continuously need to be communicated across the organization and key milestone achievements and performance need to be transparently communicated with relevant stakeholders.

6. Task 05

6.1 The opportunities and key challenges faced during the implementation of ITIL

The best opportunity for MBNA to implement ITIL was the early adoption of ITIL by its associate company established in Venezuela back in 2007. They have identified the importance of training on ITIL to infuse the necessary cultural change, and hence trained about fifteen key resources in IT including managers and they got certified in ITIL Foundation.

Though the IT teams became familiar with ITIL, onboarding other teams to ITIL took a long time. Resistance to change, where stakeholders are laggards to moving into the new system was one of the main challenges, due to less trust in the new system, fear of technology, and fear of job loss are a few reasons for resistance to change (BDO, 2020). However, once the people started realizing the value of ITIL with positive results, the adoption process got easier and faster. Hence, the cost of training effort, resistance to change, and the slow adoption of ITIL could be considered as key challenges.

6.2 Recommendations for addressing the challenges.

Continuous training on the ITSM for all the people including old and new stakeholders is a key to the development and maintenance of the proper ITSM process. Continuous training programs, documentation of the process, and pilot project runs will result in proper training, resulting path to successful and especially with specialized training in ITSM will increase the efficiency and effectiveness of the system along with many proven past track records minimizing process times (Lucio-Nieto & González-Bañales, 2019).

Capable process owners are a must for successful process implementation and the success of the project will highly depend on the project stakeholders and their involvement.

When selecting project owners and process owners clear blend between team members should be identified and background knowledge about the project and required IT knowledge should be checked. Since the process improvement is with the ITSM approach proper understanding of the whole process and end objective needs to be educated to the people involved in the project (Lucio-Nieto & González-Bañales, 2019).

The change management process is key to the success of any process improvement. Proper education, communication of the organization's strategies to all stakeholders, and clear communication channels are key for change management and play a vital part in the process applied to the organization (BDO, 2020).

7. Task 06

7.1 Analysis of Incident Management and Change management processes

Incident Management

Incidents are any interruptions to the current system of the bank and proper management should be planned for the ITSM process as every incident is critical for the process. With the ITSM

process improvement failure of proper incident management will be a killing threat to the entire process, hence it should ensure there is minimal effect on the business process, high service standards are maintained, and quick service management should be ensured (Asana, 2022).

The main purpose should be to restore the service as much as possible with minimal effects and with new system introductions it is vital to have a proper procedure of incident management to make sure business is running without any issues.

Incident categories should be addressed with impact and urgency addressing priorities of the issues and proper escalation procedures should be drafted with exceptional scenarios being addressed.



Figure 1- Steps of incident management

Source: (Asana, 2022)

Change Management

In the ITSM process within the bank normal, standard, and emergency change management may have been considered. With the change management approach to the bank, there is zero tolerance for unauthorized change. Every change should apply with clear guidelines before the release of change. Proper change management involves a stable, reliable, productive platform for improvement (Togatorop, 2023).

When approaching incidents it should ensure restoring service at the earliest convenience, the whole process is captured, adhering to service level agreements, and time bound. Also, it should cover all the responsibility levels, reporting structure, SLA time scale, and preventive action plan.



Figure 2- Steps of the change management

Source: (Miller, 2020).

Change management includes five steps including a request for change, planning, and impact, analysis, approval or denial, change implementation, and review and reporting. It is important to consider proper structure and awareness with proper training embedded in the process as the bank has zero tolerance for unapproved changes (Miller, 2020).

7.2 Effective Management of the Incident Management and Change Management

Establishing proper communicational channels throughout the organization helps to manage the change management & incident management process. The communication channel should be utilized to publish necessary updates, sharing knowledge, and training materials. Throughout the communication channel, organizations should clearly define and need to publish the job role & responsibilities of each & every team member. That helps to ensure each member's skills & responsibilities.

Continuous training and career developments are the other key important factors for effective management of those processes. Because it helps to ensure the knowledge enhancement of teams involved in the process. That helps to build the confidence of the team members relevant to the implementation process. Performance evaluations can be used to measure the status of Incident management and Change management processes.

By implementing the above strategies, organizations can manage change management & incident management in a smooth way. Continuing these approaches helps to foster the success of support services.

8. Conclusion

Banking at a fingertip is the concept used in the modern digitized banking world where most prevalent ITIL framework will be able to provide more effective and efficient service in terms of security management, and proper enhancement in user experience.

ITSM will provide high-quality standards to apply to organizational operations which will increase the competitiveness of the bank within its peer community. As the global trend is the digitization of the finance industry the ITSM process enhancement will pave the path to the digitization effort of the bank making the banking experience more flexible and easier to use for its customers.

Resistance to change is human nature. Therefore, proper training and selecting resources having better understanding and ground knowledge in information technology and security, and project management will be key aspects to consider when allocating resources for the implementation success.

9. References

- Angarola, J., Horvath, S. (2021, 05 13). *biztechmagazine.com*. Retrieved from <https://biztechmagazine.com/>: <https://biztechmagazine.com/article/2021/05/what-banks-need-know-about-modern-it-service-management>
- Asana, T. (2022, 12 05). *asana.com*. Retrieved from <https://asana.com/>: <https://asana.com/resources/incident-management>
- BDO. (2020). *2020 Financial Services Digital Transformation Survey: The Future of Financial Services*. USA: BDO USA.
- Gables, C. (2019, 06 07). *investor.amerantbank.com*. Retrieved from <https://investor.amerantbank.com/>: <https://investor.amerantbank.com/news-releases/news-release-details/mercantil-bank-holding-corporation-announces-name-change-amerant/>

- Léonard, M., Drăgoicea, M. (2021). Responsible Service Logic. *International Conference on Exploring Service Science*, 38, 1-14. doi:10.1051/itmconf/20213803003
- Lucio-Nieto, T., González-Bañales, D.L. (2019). Exploring ITIL® Implementation Challenges in Latin American Companies. *International Journal of Information Technologies and Systems Approach*, 12(1), 73-86.
- Maglio, P. P., Kieliszewski, C.A., Spohrer, J.C., Lyons, K., Patrício, L., Sawatani, Y. (2019). Handbook of Service Science, Volume II. In *Handbook of Service Science, Volume II* (pp. 13-48). Springer.
- Miller, K. (2020, 03 19). <https://online.hbs.edu/>. Retrieved from Harvard Business School: <https://online.hbs.edu/blog/post/change-management-process>
- Mourad, M.B.A., Johari, R. (2014). Resolution of Challenges That Are Facing Organizations before ITIL Implementation. *International Journal of Future Computer and Communication*, 210-215.
- Togatorop, P. R. (2023). Auditing learning management system using information technology infrastructure library (itil). *Jurnal Mantik*, 2685-4236.
- Urdaneta, R. (2018, 01 08). *axelos.com*. Retrieved from <https://www.axelos.com/>: <https://www.axelos.com/resource-hub/case-study/mercantil-bank-adopting-and-adapting-itil>