EMA Research Report: Next-Generation IT Service Management

Changing the Future of IT

ENTERPRISE MANAGEMENT ASSOCIATES® (EMA™) Research Report
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IT & DATA MANAGEMENT RESEARCH,
INDUSTRY ANALYSIS & CONSULTING

Next-Generation IT Service Management: Changing the Future of IT

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Executive Introduction

While IT service management (ITSM) has too often been viewed by the industry as an area of reactive management with fading process efficiencies and legacy concerns, the truth couldn't be more different. As this research shows, in many organizations ITSM is becoming a hub of innovation, unifying IT across its many silos, promoting and measuring IT operational efficiencies, and consolidating insights critical for IT-to-business planning supportive of both IT and digital transformation.

But capturing the "next-generation ITSM" phenomenon accurately requires looking at ITSM from many dimensions. Our research examined the following:

- Organization, governance, and best practices
- Strategic priorities
- Technology and analytic priorities
- Data and service modeling
- Service catalogs and app stores
- Endpoint and mobile management
- The impact of cloud
- Agile/DevOps
- Enterprise process workflows and the Internet of Things (IoT)

> As this research shows, in many organizations ITSM is becoming a hub of innovation, unifying IT across its many silos.

The results, at times striking, underscored the fact that ITSM is evolving in terms of both the technologies used and the role the ITSM team plays in the IT organization and the business as a whole. But this evolution is not without its obstacles and challenges, nor is it taking place in all IT organizations.

In this report, we examine ITSM from various perspectives—organizational role of respondents, company size and vertical, geographical differences, and success-related patterns of behavior. Targeted at IT executives and technical adopters across not only ITSM teams but also operations, development, and IT asset management (ITAM) teams as well as those in other related areas, this report shows what's really occurring with ITSM initiatives in both North America and Europe and provides a blueprint for how best to accelerate forward into a truly next-generation status.

Research Highlights

Some of the more outstanding findings from this research were the following:

- Most respondents (89%) came from central IT ITSM versus line of business (LOB)–centric ITSM. But ITSM teams were evenly divided between those with a single service desk and those with multiple service desks.
- IT Operations and the IT executive suite led in coordinating ITSM activities.
- 83% of organizations were managing ITSM and customer service desks as a single group.
- Only 31% of respondents indicated using ITIL, but of those, the majority saw it as growing in importance.
- Most ITSM teams were slated for growth, with only 5% downsized and 2% streamlined down.

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- The two leading strategic priorities were
  - Improving end-user experience (internal to the business)
  - Integrated support for security/fraud

- "Social IT across ITSM staff and end users" led as the top functional priority.

- "Asset management" and "change management" were the top two use cases for CMDB/CMS.

- 60% had multiple service catalogs or app stores. And of those, 75% support cost and usage data.

- 86% offer mobile support for ITSM professionals. And 87% leverage mobile to support end-user customer requests.

- Cloud's two most pervasive impacts were
  - Making asset management more challenging
  - Shortening review cycles for managing change

- 89% had integrated release management for application services with ITSM.

- 60% were currently supporting IoT initiatives.
  - "Integrated change" and "lifecycle asset management" led as IoT use cases.

- The greatest obstacle to ITSM success was "software, deployment, and administrative complexity."

- ITSM success was aligned with:

- IT budget growth and ITSM team growth

- Executive suite leadership

- Success with CMDB deployments

- Supporting usage and cost insights in service catalogs

- Integrating cloud services into a common portal or catalog

- Mobile access for ITSM professionals

- Offering consumers mobile access to ITSM services

- Effective ITSM support for DevOps overall

- Support for IoT

Methodology and Demographics

This research was conducted in May 2017. Of the 264 respondents, 164 (62%) were located in North America and 100 (38%) were located in Europe (England, Germany, or France). While we required that all respondents be active in ITSM-related initiatives (either working hands-on or involved by way of management or executive oversight), we did not restrict the research to ITSM professionals. In this way, EMA sought to better understand ITSM from multiple lenses in terms of its broader role across all of IT and to examine how ISTM can serve as a conduit between IT and business stakeholders.

EMA restricted the research to companies with more than 250 employees. **Figure 1** shows the respondents by company size, showing with a balance overall and a strong mid-tier and large enterprise presence.

> Of the 264 respondents, 164 (62%) were located in North America and 100 (38%) were located in Europe (England, Germany, or France).
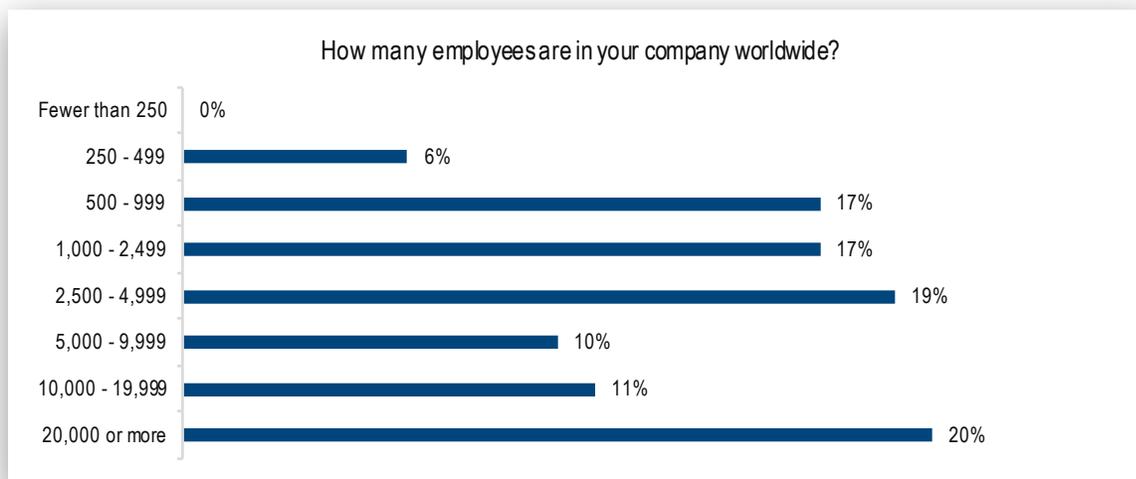
Figure 1. Respondents represented a range of company sizes with a balance of small, mid-tier, and large enterprises.

We grouped organizations into the following categories based on size of company:

- **Large –** 10,000 or more employees
- **Medium –** 2,500 to 9,999 employees
- **Small –** fewer than 2,500 employees

When we examined differences in responses based on company size, the following highlights stood out:

- Large companies were most likely to see themselves as **successful** in their ITSM initiatives. (Small companies were least likely.)
  - Large companies were most likely to have **multiple service desks**.
  - Large and medium companies were more likely than small companies to have **CMDBs**.
  - Large companies on average had more **sources for IT services** in their service catalogs.
  - Large companies were most likely to **update their applications** more frequently.

Along with size, we also considered budget. Overall the average IT budget was about $30 million, with 16% reporting $100 million or more and 14% reporting less than $5 million.

In terms of **geography**, we found surprisingly high levels of commonality between North American and European respondents. But a few differences did stand out. Most notably, respondents in North America were more likely to have higher rates of budget growth and to view their initiatives as more successful. European respondents showed a preference for integrated toolsets to support both mobile devices and other endpoints.

We looked across a wide range of **verticals**, and the top industries represented were:

- High-technology software (25%)
- Finance/banking/insurance (10%)
- Retail (9%)
- Manufacturing (6%)

In examining different priorities cross these verticals, we saw the following:

- **Finance/Banking/Insurance** – Organizations in this industry were most likely to have multiple service desks and to prioritize "breadth of integrations" when targeting ITSM solutions.

- **Retail** – Organizations in the retail vertical were more likely than those in other leading verticals to be LOB-centric rather than central IT–focused, to publish more enterprise services in their service catalogs (especially sales and customer-facing services), and to prioritize "cost and time-to-value" in selecting an ITSM solution.

- **High-Technology Software** – These companies were more likely to see cloud as changing how IT is organized than other leading verticals and to prioritize "integrated asset management" when selecting an ITSM solution. They were also the most likely to be slated for growth.

Organization, Governance, and Best Practices

When asked if there was a **single service desk** or **multiple service desks** in their ITSM organization, respondents were evenly split: 50% reported having a single service desk, and 50% reported having multiple service desks.

However, when respondents were asked if their service desks were part of **central IT**, or were **LOB affiliated**, the difference was far more dramatic, with 89% belonging to central IT and only 11% belonging to the LOB. Not surprisingly, central IT organizations were more likely to show a higher level of executive IT oversight. Central IT ITSM was also more likely to be engaged in DevOps support, more likely to enable cloud services through their service catalogs, and more likely to pursue big data and analytics. And central IT organizations were twice as likely to be slated for growth as LOB-affiliated IT organizations.

EMA found surprisingly high levels of commonality between North American and European respondents.

Roles and Role Perspectives

Although the survey did not have role quotas to ensure executive representation, our respondent base reflected a high level of executive involvement—reinforcing the notion that ITSM teams are rising in importance as a hub for IT as a whole. Forty-one percent (41%) of respondents were at the director level or above. We also included respondents with non-IT titles to get business perspectives, and these respondents comprised 14% of our total respondent base. **Figure 2** shows the range of roles represented based on titles.

Which of the following best describes your role in your organization?

Role	%
IT manager	32%
IT-related director (or equivalent)	15%
IT-related vice president (or equivalent)	3%
IT executive management (IT CIO/CTO)	23%
IT CISO/CSO/Chief Risk or Compliance Officer	3%
IT engineer/architect	7%
Other IT staff (administrator, data center, etc.)	3%
CEO/COO	4%
CFO	2%
Corporate procurement	2%
Corporate/line of business vice president (VP/AVP/SVP/EVP)	1%
Corporate/line of business director (or equivalent)	1%
Chief Digital Marketing Officer	1%
Other non-IT executive	3%
Other	0%

Figure 2. Role based on title shows strong IT executive presence, as well as meaningful non-IT business presence, underscoring the growing role of ITSM as a hub for IT and IT-to-business alignment.

When looking at role based on **primary areas of responsibility**, we saw the following:

- 30% executive suite
- 24% ITSM (managers and professionals)
- 15% operations
- 12% IT asset or financial management
- 19% other (business analysts, architects, development, cross-domain service teams)

Across all groups, most respondents viewed ITSM teams as a "central point of governance."

Some other findings were also telling.

- The executive suite was most likely to be affiliated with **central IT**. Operations was more likely than other groups to be **LOB affiliated**.
- In terms of the single biggest impact from **cloud**,
  - The **executive suite** viewed cloud as "changing how we're organized."
  - **IT financial management** saw cloud and virtualization making asset management more challenging.
  - **ITSM** saw cloud as shortening review cycles for change.
  - **Operations** stressed that cloud was "pushing [them] to pay more attention to SecOps" as well as "changing how [they're] organized."
  - The **"other"** group also saw cloud as changing organizational patterns and viewed cloud as a resource for reducing IT costs.
- All groups believed that the **biggest obstacle** to ITSM effectiveness and success was "software, deployment, and administrative complexity."

Figure 3 also serves to underscore the growing hub-like nature of many ITSM teams, with wide-ranging breadth in **multiple areas of involvement**. In fact, the average respondent indicated four areas of involvement, with "integrated cross-silo support for IT asset management" taking the number one position followed by "cross-silo support for IT governance-related analytics for OpEx efficiencies."

Which of the following areas are you involved with?

Area	%
Integrated cross-silo support for IT asset management	41%
Integrated cross-silo support for IT governance analytics for OpEx efficiencies	39%
Integrated cross-silo support for the Internet of Things	38%
Integrated cross-silo support for change management	37%
Integrated support for business process workflow creation (HR, facilities, etc.)	37%
Integrated cross-silo support for problem, incident, or availability/performance management	36%
Integrated cross-silo support for security/fraud/risk management	36%
Integrated cross-silo support for DevOps	35%
Core service desk/help desk operations (incident and request management)	34%
Integrated cross-silo support for portfolio planning and optimization	34%
Integrated cross-silo support for endpoint management (including mobile)	31%
Other	1%

Figure 3. Respondents' areas of involvement show a multifaceted focus, with cross-silo support for ITAM taking the lead.

When asked who is most likely to oversee or coordinate ITSM activities, the answers also reflect a breadth of focus.

- IT Operations overall (26%)
- Executive suite (23%)
- ITAM (13%)
- Cloud (11%)
- Service desk/help desk/customer support (7%)

Extending ITSM team functions into enterprise roles has also been a key priority, as shown in **Figure 4**. Eighty-three percent (83%) of respondents' IT organizations were managing the ITSM service desk and customer relationship management (CRM) as a single group. As we shall see later in this report, this is just one aspect of how ITSM is evolving to support other enterprise needs, such as process workflows and IoT support.

In your company, are the IT help/service desk environments and non-IT customer service or customer relationship management being managed as a single group?

Yes - operational for more than 3 years	50%
Yes - operational for 1 to 3 years	33%
Yes - implementation is in process and will be completed within 12 months	9%
No - but planning is underway	3%
No plans to consolidate these functions	4%

Figure 4. 83% of IT organizations were managing the ITSM service desk and CRM as a single group.

IT Governance

Figure 5 underscores the ITSM team's leadership role in measuring and overseeing IT governance needs in terms of process and OpEx efficiencies. The executive suite and Operations were in second and third place, respectively.

Which organizations lead in measuring and governing IT process and OpEx efficiencies?

Executive suite	41%
IT service management	78%
Operations	38%
Cross-domain service management team	22%
Other	0%
We do not have any group devoted to measuring OpEx and process efficiencies	3%
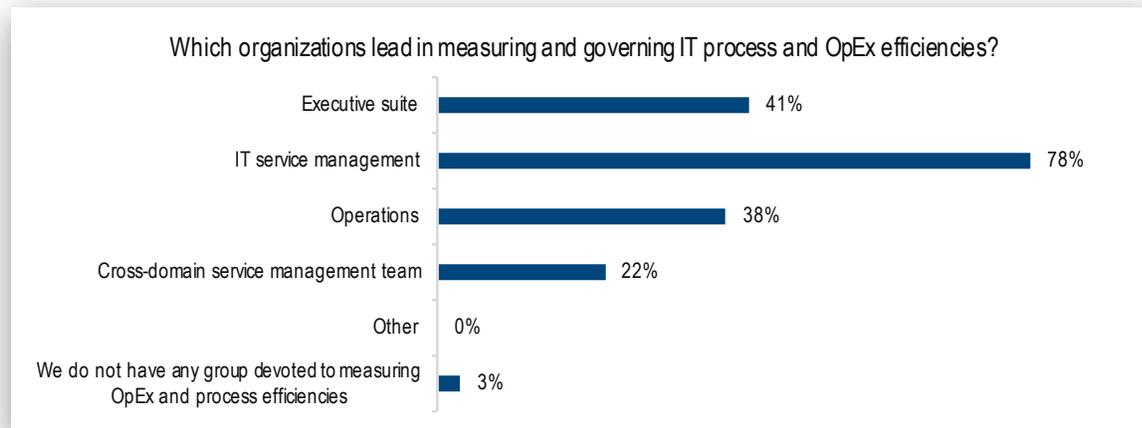
Figure 5. ITSM teams clearly lead in measuring and overseeing IT process and OpEx efficiencies.

Governance metrics reflected a diversity of needs and concerns—including but in no way limited to traditional ITSM practice. The top 10 metrics for IT process or OpEx efficiencies were the following:

1. Mean time to resolve incidents
2. Customer satisfaction
3. Success rates in managing change
4. First call resolution
5. Mean time to repair service issues (reduced war room time)
6. Problem owner efficiencies in addressing unique problems
7. OpEx efficiencies from improved self-service
8. Self-inflicted outages due to managing change
9. OpEx efficiencies in managing change/change impact
10. OpEx efficiencies in delivering software audits

Best Practices

Figure 6 shows a wide variety of best practice options, in which Management of Portfolio (MoP) led with 31%. However, ITIL overall was also a top choice as the number of discrete respondents for ITILv2 and ITILv3 combined was 31% of the overall respondent base as well.

Which of the following best practices are relevant to your ITSM initiative?

Best Practice	Percentage
ITIL v2	18%
ITIL v3/2011	20%
ISO 19770-1	26%
Six Sigma	25%
IT4IT	19%
Control Objectives for Information and Related Technology (COBIT)	27%
IT Balanced Scorecard	27%
Capability Maturity Model Integration (CMMI)	25%
PMBOK for project management	20%
Management of Portfolio (MoP)	31%
PRINCE2 (for project management)	22%
International Project Management Association (IPMA)	28%
Other	0%

Figure 6. ITSM teams are diversified in their approach to best practices.

Of those who selected ITIL (ITILv2 or ITILv3), 52% saw ITIL as becoming more important and 45% saw ITIL as remaining at the same level of importance. Interestingly, there was a strong correlation between viewing ITIL as becoming more important and overall ITSM success.

Strategic Priorities

Most ITSM respondents viewed the **service desk as their primary ITSM investment** (91%). For the 9% who didn't see that as a top priority, "project management, workflow/process automation," and "ITAM" were tied for first place.

While many industry pundits view ITSM as a reactive area in decline, the data here shows just the opposite. **Figure 7** indicates that 56% of ITSM teams are slated for growth, while only 7% will be downsized for various reasons.

> **While many industry pundits view ITSM as a reactive area in decline, the data here shows just the opposite.**

Is your ITSM team with its affiliated stakeholders slated for growth, will it stay the same, or will it be downsized?

Slated for growth	56%
Will stay the same	36%
Will be downsized	5%
Reduced headcount but increased ITSM technology investments	2%
Don't know	2%
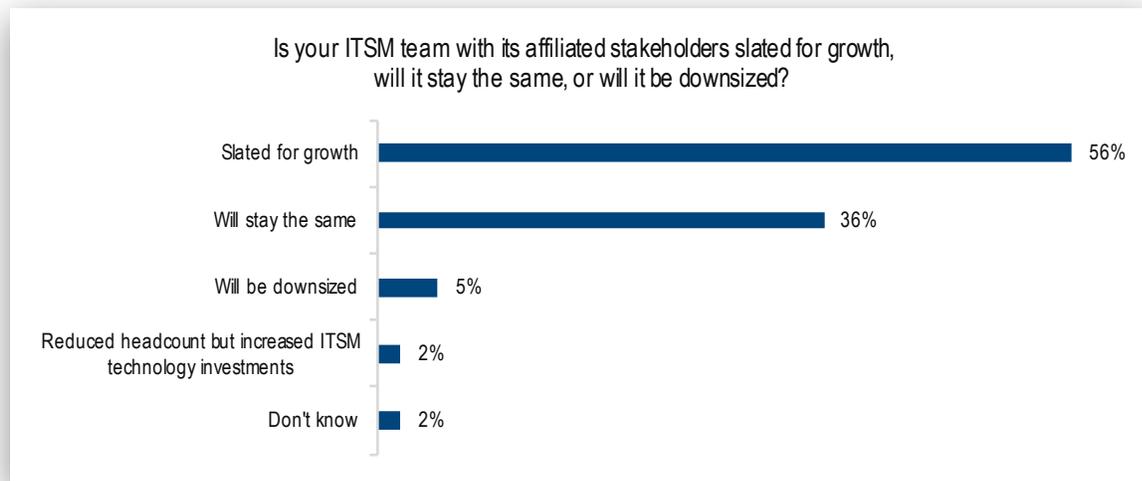
Figure 7. The majority (56%) of ITSM teams are slated for growth.

The ten top reasons for ITSM growth were:

1. The company overall is growing and ITSM teams are growing along with it.
2. ITSM is increasingly being viewed as a center of governance.
3. ITSM is more actively engaging operations stakeholders.
4. ITSM is assuming more responsibilities across the lines of business.
5. ITSM is expanding to support enterprise (non-IT) services.
6. Cloud has required an increased investment in ITSM.
7. ITSM is providing greater direction for ITAM and software asset management (SAM).
8. ITSM is expanding to support more ITIL processes.
9. ITSM teams are including a greater variety of roles and skills.
10. Agile/DevOps is requiring an increased investment in ITSM.

Once again, this lists suggests a diversity of values, responsibilities, and needs—any one of which can become a spark for growth and increased ITSM investment.

Interestingly enough, the chief reason for downsizing ITSM was "operational analytics and automation are reducing the need for ITSM personnel." This was a dramatic departure from past surveys in which ITSM decline was most closely linked to outsourcing.

When asked about **strategic priorities** for ITSM, respondents indicated the following top ten priorities:

1. Improving end-user experience internal to the business
2. Integrated cross-silo support for security/fraud/risk/compliance
3. Transforming end-user support with mobility/self-service/intelligent bots
4. Integrated cross-silo support for ITAM
5. Core service/help desk operations (incident and request management)
6. Improving operations-to–service desk integrations for incident/problem, availability, and performance management
7. Improving operations-to–service desk integrations for change and configuration management
8. Integrated cross-silo support for IoT
9. Supporting the move to the internal/external cloud
10. Integrated cross-silo support for IT governance for OpEx efficiencies

While improving end-user experience remains consistent with prior strategic requirements, the rising importance of supporting security and risk and the emphasis on transforming end-user support with mobility and self-service collectively underscore an increasing need for more advanced technologies, more integrated data, and more automated outreach.

Technology and Analytic Priorities

EMA looked at ITSM-related technology priorities from multiple dimensions. These included overall **functional priorities**, **priorities in automation**, and **priorities in analytics**.

The top five **functional priorities** were:

1. Social IT across the end-user community and the IT staff
2. New or enhanced project management capabilities
3. Enhanced capabilities for SAM
4. Mobile in support of IT stakeholders
5. Enhanced capabilities for ITAM

The striking news here was the very strong focus on communication across IT and between IT and its service consumers, along with a focus on ITAM and SAM. Moreover, the strong showing of "enhanced project management" further underscores the role of ITSM as a "communications and governance hub" for IT as a whole.

The top five **priorities in automation** were:

1. Workflow within and across IT
2. Workload automation (job scheduling)
3. Automation in support of infrastructure inventory/discovery
4. Service request management
5. SecOps/security-related automation

Here the overarching message is the need for eclectic and versatile approaches for automation to answer different specific needs. Sixth and seventh on the list of automation priorities— "analytics-driven automation" and "runbook or IT process automation"—further emphasize the need among ITSM teams for diverse analytic resources.

It should also be pointed out that "workflow within and across IT" was not only number one response; it was a clearly dominant priority—reported by nearly double the number of its closely ranked followers. This serves to underscore the growing role of ITSM as a communications hub.

For **analytics,** the top five priorities were:

1. Analytics for IT governance in terms of efficiencies and effectiveness
2. Analytics for change management
3. Analytics in support of optimizing the IT infrastructure
4. Analytics for user experience and visibility into end-user problems
5. Analytics in support of optimizing IT application performance

Yet again, the importance of providing effective governance across IT came to the fore, as well as the eclectic and diverse use case needs of ITSM teams.

Figure 8 highlights the fact that big data analytics and ITSM teams have become bedfellows. The notion that advanced analytics was only a priority for Operations was shown to be obsolete in 2015 EMA research[1], and it is even more so now. Only 3% of respondents indicated that they were not interested in big data or analytics!

> The overarching message is the need for eclectic and versatile approaches for automation to answer different specific needs.
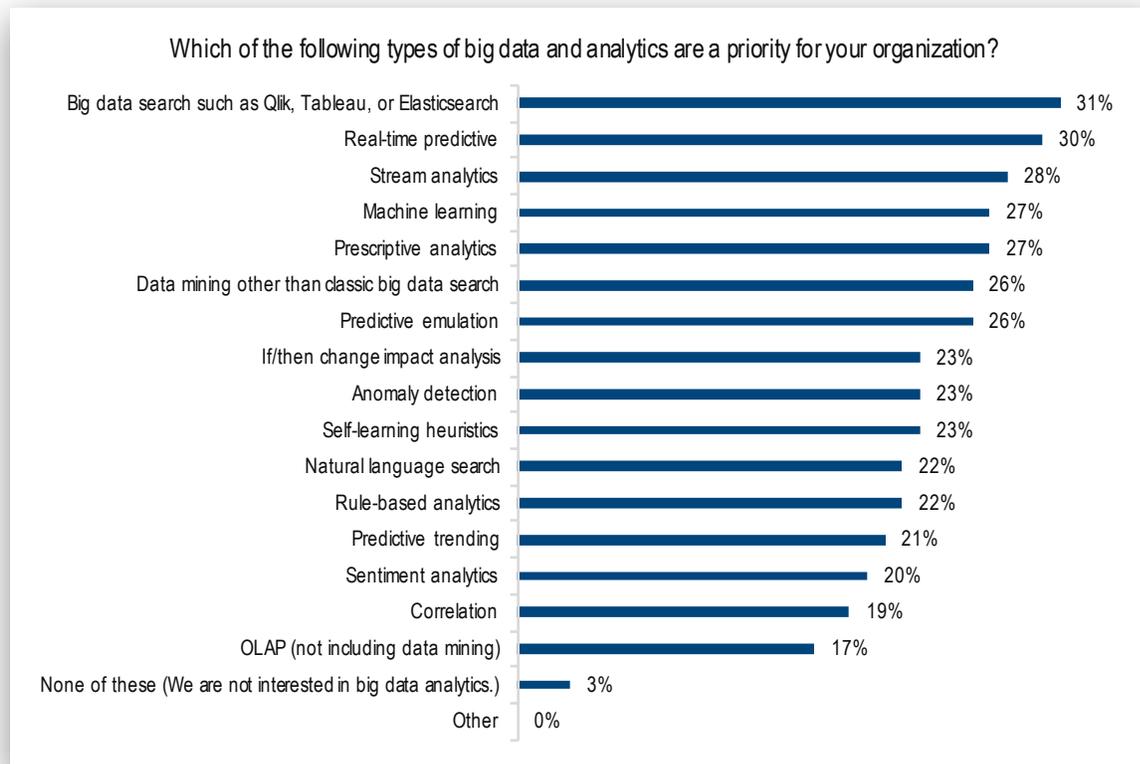
Figure 8. Analytic and big data priorities highlight ITSM's active interest in advanced analytics for various use cases.

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[1] EMA, "What Is the Future of IT Service Management?" March 2015.

When respondents were asked about **IT-to-business management** priorities for ITSM teams, they reported the following top five priorities:

1. Executive dashboards for sharing information within IT
2. Analytics for business outcomes (revenue, business process impacts/usage)
3. Workflow automation for processes linking IT and business stakeholders
4. Social media for customer satisfaction assessments
5. Analytics in support of partner-related business process optimization

It is of interest that unifying IT tied for first place with analytics in support of business outcomes—underscoring our finding that IT and digital transformation are closely aligned.[2] In other words, if IT is to truly align with business goals, it needs to be well aligned within itself.

Data and Service Modeling

Given the breadth and outreach of ITSM teams as they are evolving, it should be no surprise that data sources are broad and diverse. **Figure 9** explores the many data sources critical to ITSM teams—with an average of 4.5 different sources per respondent. Also significant is that fact that once again IT governance takes a clearly dominant first-place position.

Which of the following data sources are used for your company's ITSM-related, ITAM, or integrated operations initiatives?

Data Source	%
IT governance/efficiency-related data repository	38%
Asset Management Database	31%
Data store integrated with an ITSM platform	28%
CMDB internal to the ITSM platform	27%
Software license data resources	27%
Application Discovery and Dependency Mapping (ADDM)	24%
Spreadsheet data	23%
Federated CMS	20%
Inventory or discovery tools	20%
Internet of Things (IoT)-specific data repository	20%
CMDB external to the ITSM platform	19%
Social media/social IT data resources	18%
Application portfolio-related data repository	17%
Operational sources (events, log files, etc.)	17%
User experience management-related data	16%
Operations sources (performance, transaction, etc.)	16%
Capacity planning-related data store for internal infrastructure (including virtualized and cloud)	16%
Visio data resources	15%
Business planning data store	12%
Aggregated data store for performance analytics	11%
Capacity planning-related data store for public cloud	10%
Aggregated data store for change management-related analytics	10%
Aggregated data store for security risk-related analytics	9%
Aggregated data store for financial analytics	5%
Other	0%

Figure 9. Respondents show a broad range of priorities for data sources relevant to ITSM and ITAM, with an average of 4.5 per respondent.

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[2] EMA, "Digital and IT Transformation: A Global View of Trends and Requirements," September 2015.

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EMA also examined some specifics around **CMDB adoption** and found the following:

- More than 50% of respondents had a CMDB or a CMS deployed and already in use.
  - Of those, the average time spent weekly in reconciling data and resolving data accuracy issues for the CMDB was about 12 hours.
  - Of note is the fact that those IT organizations spending more time on reconciling data for their CMDB tended to be more successful overall in their ITSM initiatives.
- 60% of respondents were already federating data, and 25% had plans to federate. Only 6% had no plans to federate their CMDB.
  - Federating CMDB data was also correlated with overall ITSM success.
- 77% of those with a CMDB/CMS viewed themselves as "extremely successful" or "very successful" overall with their CMDB/CMS initiatives.
  - Perhaps not surprisingly, CMDB/CMS success correlated strongly with overall ITSM success.

Those IT organizations spending more time on reconciling data for their CMDB tended to be more successful overall in their ITSM initiatives.

A question about CMBD use cases showed, interestingly, "data center migration," "financial optimization," and "security and/or compliance audits" as the most prevalent. However, **Figure 10** highlights the most critical use cases, which were, not surprisingly, "asset management" and "change management."

Which use case is your most dominant use case for CMDB/CMS?

Use case	Percentage
Asset management	37%
Change management	33%
Performance-related service impact	30%
Financial optimization	29%
Change impact analysis	28%
Data center migration	26%
Security and/or compliance audits	25%
Other	0%
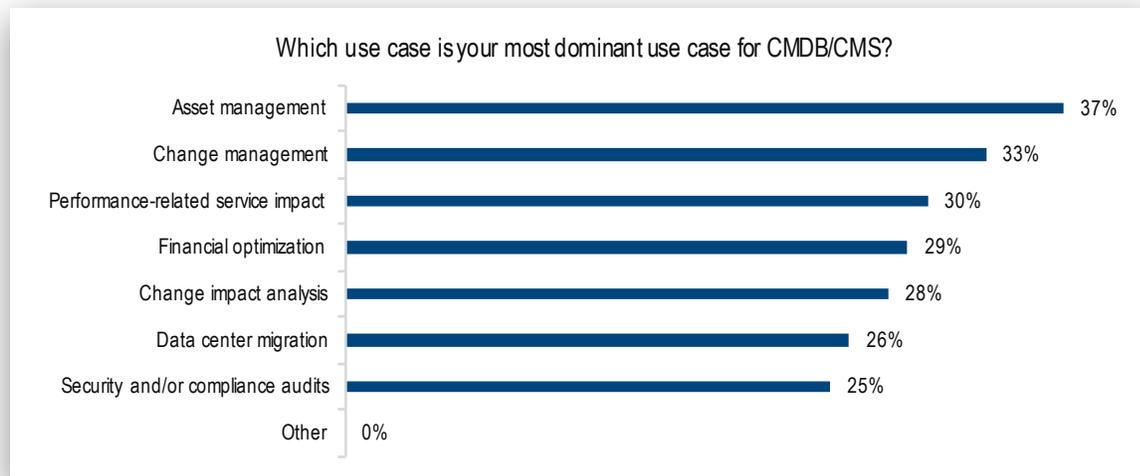
Figure 10. Asset and change management were the dominant CMDB/CMS use cases.

When respondents were asked about **application discovery and dependency mapping (ADDM),** which was used by about 25% of respondents, we saw the following top five use cases:

1. Performance and availability management for business services
2. Data center consolidation
3. Performance and availability management across the infrastructure
4. Change management
5. Security and vulnerability assessments

Service Catalogs and App Stores

In the age of cloud and agile, service catalogs and app stores are becoming yet more central to ITSM teams, both in terms of enabling service delivery in a more efficient and consumer-friendly manner and in terms of aggregating services into an accessible central venue for superior financial optimization and performance management. **Figure 11** shows that only 1% of respondents reported they had neither a service catalog nor an app store (and 3% said they "didn't know"). Service catalogs were clearly dominant.

In the age of cloud and agile, service catalogs and app stores are becoming yet more central to ITSM teams.

Which of the following statements best represents what your organization currently has in place in terms of a service catalog and/or app store?

We have one service catalog	25%
We have multiple service catalogs	37%
We have one app store	11%
We have multiple app stores	11%
We have both service catalog(s) and app store(s)	9%
We have neither a service catalog nor an app store	1%
We have multiple service catalogs (or app stores) but are seeking to integrate into a consolidated view	3%
Don't know	3%

Figure 11. Service catalogs were more prevalent than app stores, but nearly all organizations had at least one of the two. Only 1% of respondents had neither and 3% "didn't know."

In looking at service catalog and app store priorities, we saw the following:

- 75% currently included **cost and usage insights**, while 21% planned to include cost and usage within 12 months.
  - Cost and usage support in catalogs and/or app stores strongly correlates with overall ITSM success.

- In terms of **catalog support for enterprise services,** the top ten priorities were the following:
  1. Operations
  2. Sales
  3. Human resources
  4. Facilities management
  5. Marketing
  6. Purchasing
  7. Corporate finance
  8. Vendor and contract management
  9. Customer-facing (external) services
  10. Field services

Figure 12 explores priorities in IT-specific services from a service catalog perspective, with "IT professional services" and "end-user device provisioning" leading the charge.
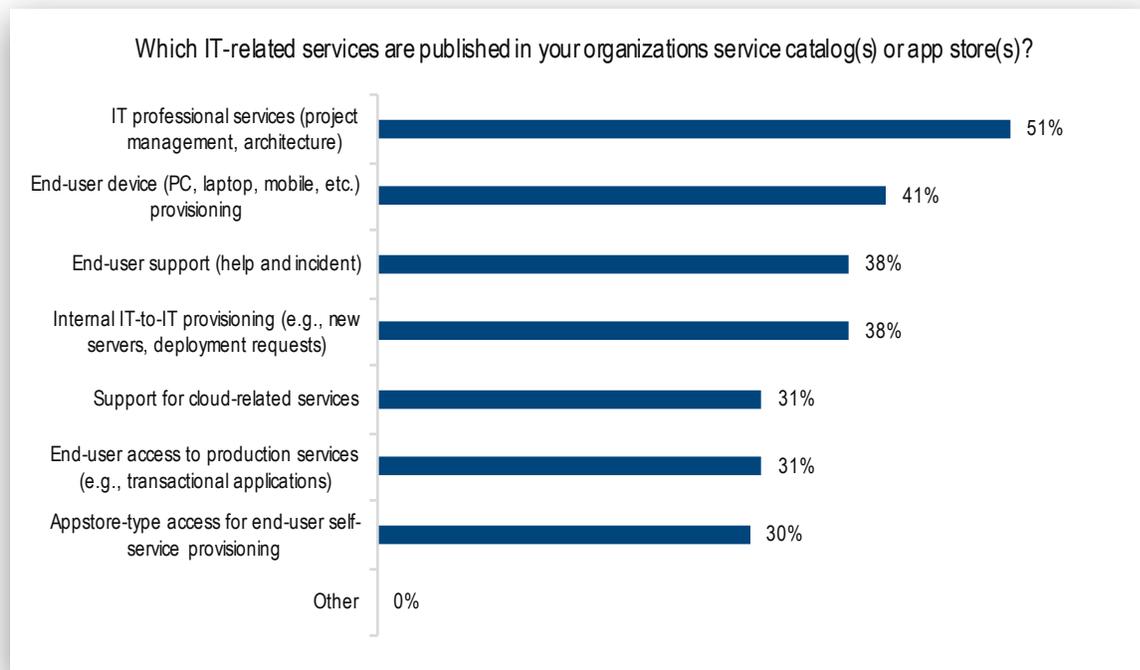
Figure 12. The range of IT-specific services listed in service catalogs underscores the diverse organizational needs that IT organizations must address.

Of the 31% leveraging cloud services in catalogs or app stores, 79% were already integrating **cloud services** into a single common portal or catalog, which was also correlated strongly with success.

- Of these, internal software-as-a-service (SaaS), internal infrastructure-as-a-service (IaaS), and external (public cloud– enabled) SaaS were the dominant three.

Endpoint Management and Mobile

Endpoint requirements, especially for mobile, have become more important to many ITSM teams. **Figure 13** shows that 71% of organizations are already supporting mobile phones and 59% are supporting tablets.

Which types of endpoints/devices is your organization currently managing?

Endpoint	Percentage
Desktops/laptops	89%
Mobile phones	71%
Tablets	59%
VDI	16%
Other	0%
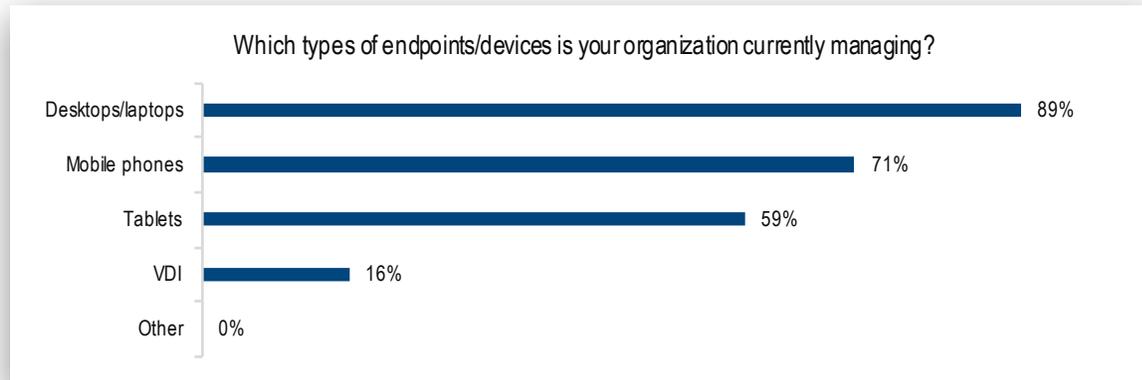
Figure 13. Endpoints and mobile options are more diverse than ever when it comes to expectations placed on not only ITSM teams, but on IT as a whole.

When it came to **managing endpoints** across their lifecycles, EMA saw the following priorities:

1. Security
2. Software usage
3. Software distribution
4. Operating system deployment
5. License management
6. Inventory
7. Hardware lifecycle management
8. Patch management
9. Automated insight into software updates
10. Analytics to support endpoint remediation issues

Interestingly, most (56%) of respondents preferred separate toolsets for managing mobile versus traditional (tethered) endpoints, a shift in priorities from prior years.

Focusing on **mobile**, EMA found that:

- 86% of organizations offered mobile support to ITSM professionals, which was closely correlated with overall ITSM success.
  - The chief benefits of mobile support for ITSM professionals were
    - Increased IT OpEx efficiencies
    - Improved ITSM-to-development interactions
    - Improved responsiveness to IT service consumers
    - Improved collaboration between ITSM and operations professionals
    - Easier access to reporting facilities for service desk managers and executives.

- 87% offered mobile access for service requests from service consumers, which also closely correlated with overall ITSM success.
  - In fact, 46% of those offering this type of support indicated that it had "dramatically improved" outcomes, while 35% saw "meaningfully improved" outcomes.

Cloud

When we asked how cloud was impacting ITSM initiatives, respondents indicated the following:

1. Cloud and virtualization has made asset management more challenging.
2. Cloud is shortening the review cycle for managing change.
3. Cloud is changing how we approach release management.
4. Cloud is changing how we're organized.
5. Cloud is requiring higher levels of automation in provisioning services.
6. Cloud is pushing us to pay more attention to SecOps.
7. We see cloud as a resource for reducing ITSM, ITAM, operations, and other related costs.
8. Cloud is putting more pressure on us to justify costs.
9. We see public cloud specifically as a resource for running our ITSM software.
10. Cloud is pushing us to pay more attention to DevOps.

As seen in the list above, the impacts of cloud on ITSM teams are varied and at least potentially dramatic. But one thing should stand out—cloud is not simply a happy destination. Rather, cloud is an often challenging set of resources that need to be understood, managed, and optimized. Moreover, cloud is also putting pressures on ITSM teams and IT as a whole, to become more transparent in managing costs.

The top four **technologies that cloud has made more critical** were:

1. IT process automation (ITPA)/runbook
2. Application/infrastructure discovery and mapping
3. Governance/data analytics on cloud services (security)
4. Service catalog, portal or app store for cloud services

> The impacts of cloud on ITSM teams are varied and at least potentially dramatic.

It should be pointed out that while most choices were fairly closely aligned, ITPA was a full 10 percentage points ahead of all others. The overall message here being once again—a diversity of requirements with an emphasis on automation.

Agile/DevOps

Figure 14 shows that agile and DevOps are clear areas of growth for ITSM teams, with 89% of organizations reporting integrated support for application release management.
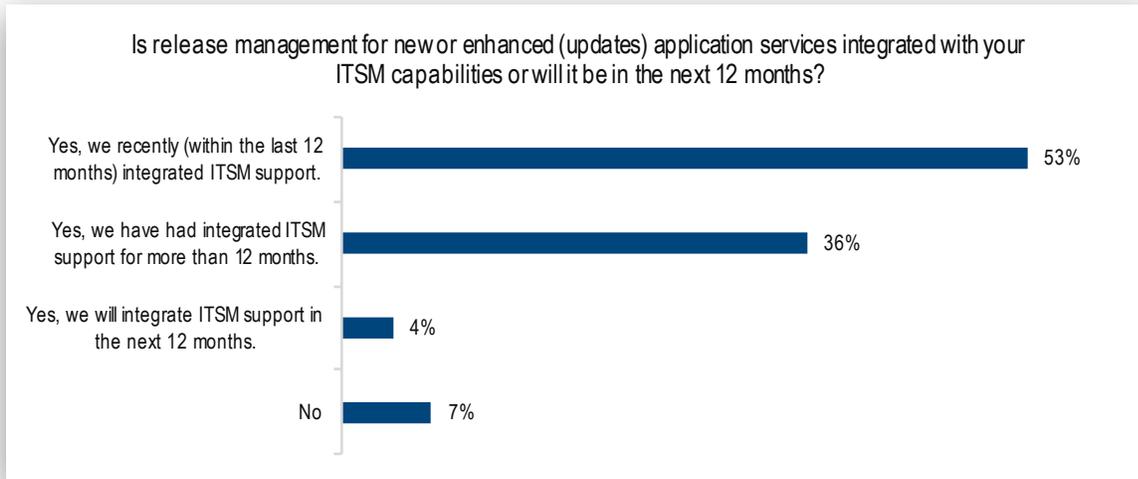
Figure 14. ITSM teams are already focusing on integrated support for application release management.

And **Figure 15** shows how and where these agile integrations are taking hold. Once again, the indication is on diverse values from workflows, to scheduling, to feedback loops, to provisioning.
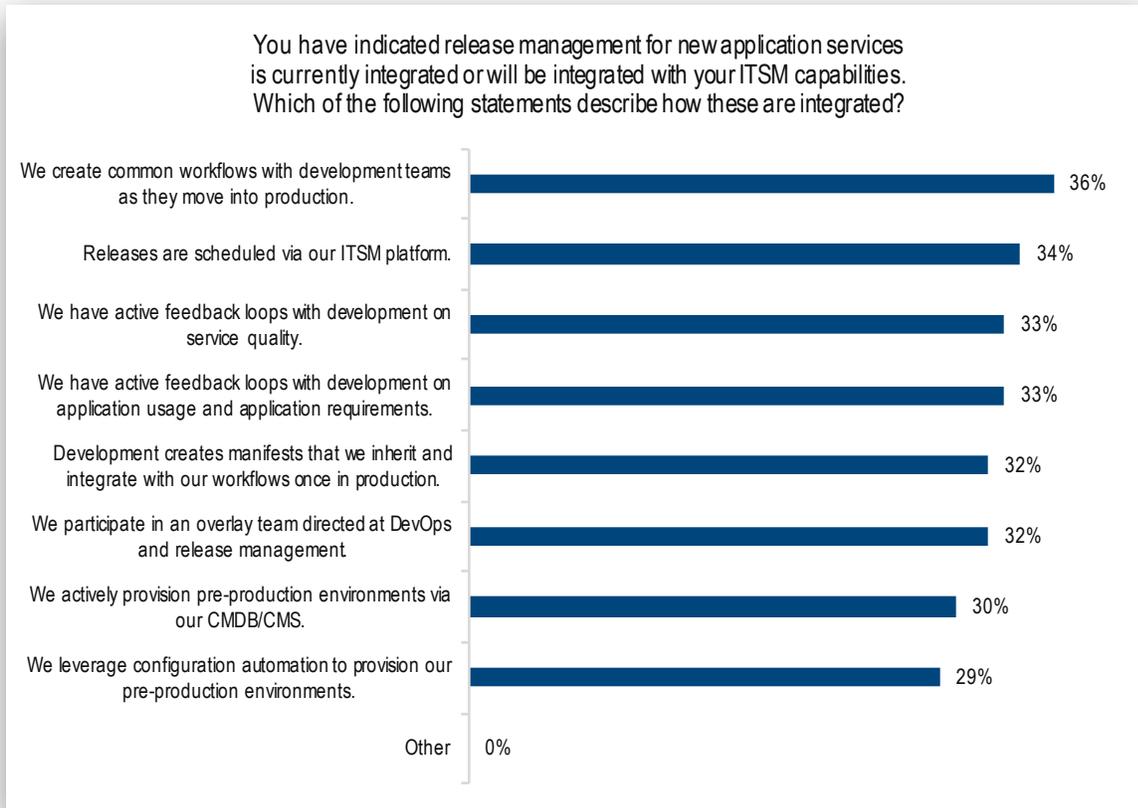
Figure 15. ITSM support for application release management is both significant and multidimensional.

When EMA asked about **fast tracks** and frequency of **application updates** we found the following:

- 23% of organizations update applications multiple times a day; 35% update daily; 29% update weekly; and 11% update monthly.
  - More frequent updates were strongly correlated with greater ITSM success overall.
- 71% had created a "fast track" for applications that needed more immediate attention, and this was largely done by using a different set of tools (80% of these organizations).
  - Creating a fast track was also correlated with success.
  - 64% indicated that certain fast-track applications bypassed the ITSM team.

Overall, the value of integrated support for DevOps couldn't be stronger. Thirty-six percent (36%) viewed such integrations as "extremely positive/transformative" and 44% viewed them as "very positive." No respondent indicated a negative outcome from such integrated DevOps support.

> **The value of integrated support for DevOps couldn't be stronger.**

Beyond IT: Process Workflows and the Internet of Things (IoT)

One of the fastest growing areas for ITSM teams is integrated support for enterprise workflows and enterprise processes. This type of support normally involves partnering with relevant enterprise teams and leveraging capabilities for process definition, workflow automation, and governance centered on the ITSM platform in combination with localized expertise on the enterprise front. Some vendors are already providing out-of-the-box offerings for enterprise workflows targeted at specific enterprise needs.

Figure 16 shows respondents' priorities for currently supported or planned enterprise workflows.

Which of the following areas does your company's ITSM team or ITSM integrations currently support or have committed plans to support in terms of workflow and/or process automation?

Data center utilities and power	47%
Human Resources	45%
Building and Facilities	36%
Transportation/fleet management	31%
Manufacturing	31%
Other vertically specific infrastructure costs (retail operations, healthcare operations, power grids, airports, etc.)	26%
None, we are not currently supporting enterprise services.	4%
Other	0%

Figure 16. Priorities for supported or planned enterprise workflows suggest a breadth of interest in supporting enterprise needs.

Our data on **IoT** showed that ITSM teams are already moving forward aggressively in this regard:

- 37% are already well underway with IoT support.
- 28% are beginning to leverage IoT capabilities.
- 19% have plans to support IoT.
- Only 16% have no plans to support IoT.

Not surprisingly, active IoT support correlates strongly with overall ITSM success.

Figure 17 shows where IoT support is most active, and it also reveals an even distribution of priorities, with only 8 percentage points separating the top priority ('integrated change management') and the bottom priority ('integrated incident and problem management').

Of the following, which types of support are you providing for IoT?

Support type	Percentage
Integrated change management for IoT	44%
Lifecycle asset management for IoT	41%
Integrated support for improved security/compliance for IoT	40%
Process automation and workflow in support of IoT governance	39%
Integrated incident and problem management for IoT	36%
Other	0%
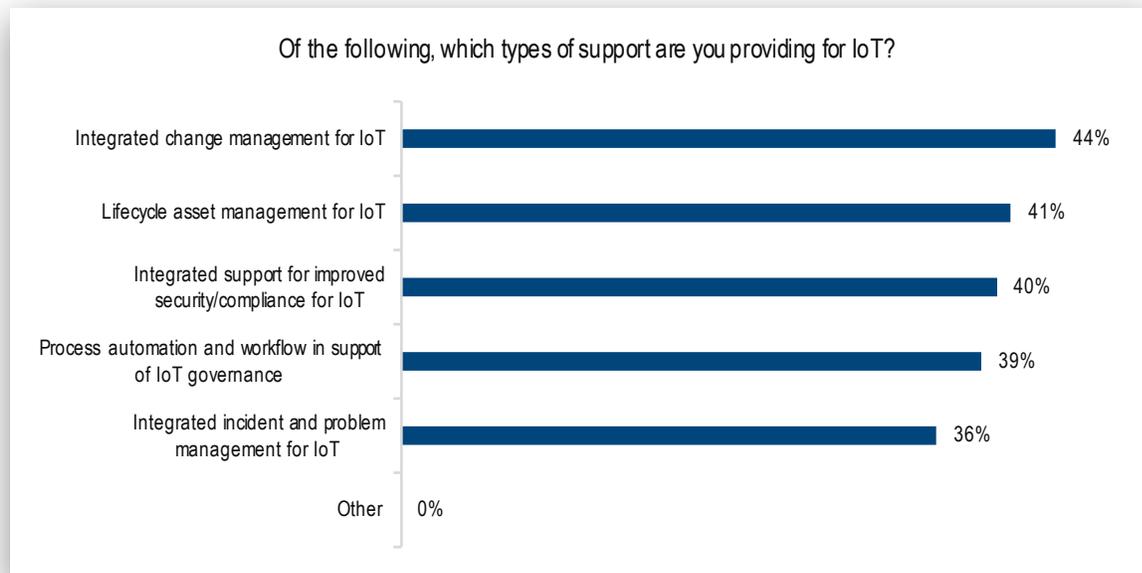
Figure 17. IoT support shows a fairly even mix of management options.

When asked specifically about lifecycle asset management the following priorities emerged:

1. Manufacturing line costs
2. Building and facilities costs
3. Utilities and power costs across the enterprise.
4. Transportation costs
5. Vertically specific environments (e.g., retail, healthcare, power grids, airports)

Deployment, Obstacles, and Success

Our respondents averaged more than two years in deployment with ITSM-related software, and with 19% reporting more than five years and 21% reporting less than one year.

When respondents were asked about the greatest obstacle to ITSM success, "software, deployment, and administrative complexity" dominated all other categories as the number one concern, as seen in **Figure 18**. The implication for vendors delivering ITSM solutions to IT should be clear: There is a huge opportunity if rich functionality and minimal administrative overhead can be more effectively combined.

> **"Software, deployment, and administrative complexity" dominated all other categories as the number one concern.**

Which of the following is the greatest obstacle for superior integrated ITSM leadership?

Category	Value
Software, deployment, and administrative complexity	27%
Vendor Selection	16%
Warring technologies and siloed tools	15%
Organizational and political issues	14%
Poor dialogue and communication across IT	14%
Lack of effectively defined processes	14%
Other	0%
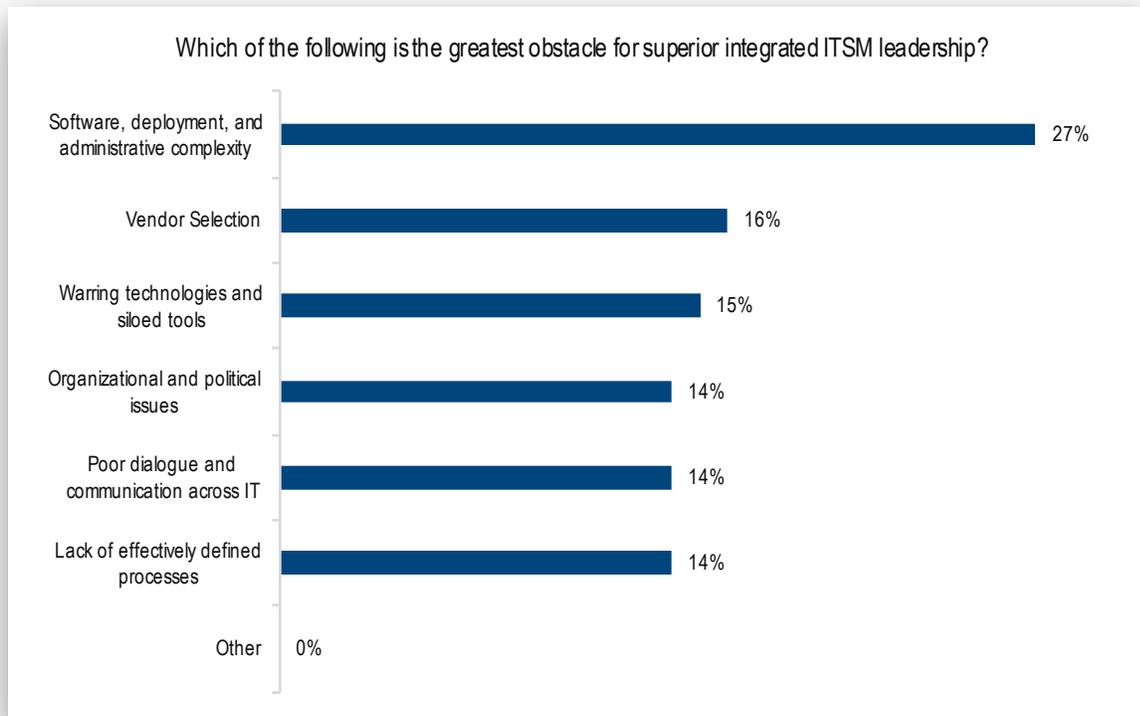
Figure 18. "Software, deployment, and administrative complexity" was the top obstacle to ITSM leadership.

ITSM Success

When respondents were asked to rate the effectiveness of their ITSM-related initiatives, their answers were consistently positive. Thirty-three percent (33%) viewed themselves as "extremely successful"; 43% saw themselves as "very successful"; 19% viewed themselves as "successful"; and only 5% saw themselves as just "somewhat successful." No one felt that they were "largely unsuccessful." While this is a rosier outlook than a more objective third-party assessment might produce, the data was useful as a means of looking at success rates in context with other outcomes. To do this, EMA contrasted the "extremely successful" with both the "very successful" and the rest of the respondents (both "successful" and "somewhat successful").

Results on success rates not already indicated in this report include the following findings:

- **Budget and Growth**
  - ITSM success strongly correlated with an increase in overall IT budget and ITSM team growth.
- **Central IT versus LOBs**
  - Central IT viewed itself as more successful than LOB affiliates.
- **Leadership**
  - ITSM teams led by the executive suite reported higher levels of success.
  - Those teams led by IT Operations reported the lowest levels of success.
- **Initiatives**
  - The most successful initiatives were "integrated cross-silo support for ITAM" and "change management."
  - The least successful were "IoT" and "portfolio planning and optimization."
- **Geography**
  - North American respondents indicated higher levels of success overall than their European counterparts.

Conclusion

It should be clear from the data shared in this report that ITSM is evolving in a "next-generation" direction to include enhanced outreach in a wide variety of areas across IT. But this trend isn't brand new—a 2015 EMA research report[3] showed many similar patterns of growth.

A comparison of responses between 2015 and 2017 shows areas of commonality, areas of difference, and distinct areas of growth.

> **It should be clear from the data shared in this report that ITSM is evolving in a "next-generation" direction.**

ITSM in 2015 vs. 2017

Areas of Commonality

The overall ITSM landscape was already in transition in 2015, so most of the major trends toward next-generation ITSM had become visible to some degree. However, unique choices for specific options and priorities were often different. What stood out most in terms of commonality in specific choices were the following:

- **Strategic Priorities –** The top "strategic priority" in both 2015 and 2017 was "improve end-user experience management for internal users."
- **Service Catalog Priorities** – The top three priorities for publishing cloud-related services in service catalogs or portals were virtually identical in 2015 and 2017. These were:
  - SaaS (internal cloud)
  - IaaS (internal cloud)
  - SaaS (public cloud)
- **Mobile Support** – In 2015, 85% of organizations had support for mobile users/service consumers. In 2017, it was 87%.

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[3] EMA, "What Is the Future of IT Service Management?" March 2015.

Areas of Difference

Not every change between 2015 and 2017 was necessarily positive. Some of the areas of significant difference were:

- **ITIL –** In 2015, 20% of respondents showed ITILv2 adoption and 32% showed ITILv3 adoption. These numbers slipped in 2017 to 18% and 20%, respectively.

- **Functional Priorities –** CMDB/CMS dropped from second place in "functional priorities" in 2015 to last place in 2017.

- **Cloud Impacts –** The top impact of cloud on ITSM reported in 2015 was "Cloud is a resource for expanding ITSM capabilities." In 2017, the top impact was "Cloud and virtualization are making asset management more challenging."

- **ITSM Challenges –** Perhaps most striking of all, the chief obstacle to ITSM success in 2015 was "organizational and political issues" (30%) while in 2017 it was "software, deployment, and administrative complexity" (27%). It should be noted that in both surveys, these top choices led by clear margins over the other options.

Areas of Marked Growth

There were several instances of clear growth between 2015 and 2017 in areas central to ITSM's next-generation evolution. Some of the more significant were the following:

- **Consolidation of IT and non-IT customer service into a single organization grew meaningfully.** In 2015, 72% of respondents reported that they had established an IT-to-enterprise team and 11% reported having no plans to go forward with such an initiative. In 2017, however, 83% reported an already-established IT-to-enterprise team and only 4% had no plans to establish such a team.

- **DevOps involvement dramatically accelerated.** In 2015 only 65% of ITSM teams were actively involved in agile/DevOps initiatives, which was up from 39% in 2013. However, in 2017 that number climbed to 89%.

- **The percentage of ITSM teams slated for growth rose from 50% in 2015 to 56% in 2017.** Perhaps even more significant, 15% were downsizing in 2015 while only 7% were in 2017.

- **Success rates also climbed**. In 2015 only 16% felt they were "extremely successful" and 36% felt they were "very successful." In 2017 these number of "extremely successful" respondents increased dramatically to 33%, and the "very successful" group grew to 43%.

ITSM's role going forward suggests overall positive motion, but not without some unique obstacles. The refocused attention to challenges in software administration and deployment in 2017 highlights the broader issues involved with keeping up with more dynamic trends such as cloud and agile, as well as effectively managing ITSM's role as a hub across expanding opportunities. To support these needs, ITSM-related management software needs to become increasingly dynamic, more analytically advanced, and better integrated in support of a growing number of tasks, initiatives, and stakeholders.

Another trend that stood out in this research was a consistent drumbeat on ITSM's hub-like role as a center for IT governance. A priority that became evident across questions about technology options, metrics, data sources, and reasons for growth. It was also telling that across all identified teams—the executive suite, Operations, ITAM, ITSM, and "other" (including Development)—most respondents viewed ITSM as leading the charge in IT governance and optimizing OpEx efficiencies.

> **Another trend that stood out in this research was a consistent drumbeat on ITSM's hub-like role as a center for IT governance.**

What the future will bring of course remains a projection. But several years of research suggests that ITSM's value to IT should only continue to grow—both in its dimensions and its impact. And the array of challenges and requirements ITSM teams must address will grow as well. The line in the sand seems to have been crossed between old-guard, reactive ITSM and next-generation ITSM. Most IT organizations have already committed, at least in some way, to this transition.

But stepping up to the new challenges will require increased attention to innovation in processes and organizational models as well as technology. The good news for vendors is that the ball is largely in their court to deliver ITSM-related software that can help ITSM teams succeed with their next-generation ITSM initiatives. And the good news for ITSM and IT organizations is that the climate is favorable for innovation and change. Hopefully these opportunities will be realized and yet more progress will be made in the coming years as ITSM is redefined as a model of service-aware integration, communication, advancing analytics and automation across IT and between IT and the business it serves.

> **Stepping up to the new challenges will require increased attention to innovation in processes and organizational models as well as technology.**

About Enterprise Management Associates, Inc.

Founded in 1996, Enterprise Management Associates (EMA) is a leading industry analyst firm that provides deep insight across the full spectrum of IT and data management technologies. EMA analysts leverage a unique combination of practical experience, insight into industry best practices, and in-depth knowledge of current and planned vendor solutions to help EMA's clients achieve their goals. Learn more about EMA research, analysis, and consulting services for enterprise line of business users, IT professionals, and IT vendors at www.enterprisemanagement.com or blogs.enterprisemanagement.com. You can also follow EMA on Twitter, Facebook, or LinkedIn.

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