

# Your comprehensive guide to optimizing IT service management in 2016

Featuring exclusive global research from Axios Systems



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# ITSM goals and challenges for 2016

**Process optimization:** this is the top opportunity for improving service management in 2016, according to more than 100 service management experts who recently expressed their views on the most important issues facing the service management industry.

Compiled from the results of a series of surveys conducted by Axios Systems, the 2016 global IT service management (ITSM) guide is based on the contributions of employees at nearly 100 different organizations. Views are representative of 20 industry sectors, with respondents based in 16 countries. All responses have been anonymized.

But, you may ask, what's the point in speculating on what the coming year has in store for service management? Well, whether you're approaching these issues from the visionary perspective of a CIO, the strategic perspective of an IT director or the operational perspective of a service desk manager — or indeed one of many on-the-ground roles that make the end-user experience certifiably excellent — every ITSM professional can benefit from a broader understanding of the shared challenges and opportunities confronting the industry.

Regardless of whether you work in the public or private sector, whether you work in manufacturing or education, everyone has a vital role to play in improving the organizational services delivered by IT. The success of your organization depends largely on the reliability and efficiency of service delivery, which starts with you and the resources provided. If these resources are imperfect (as they often are), then it's down to you to identify any available opportunities to help improve the IT perception across the business, as this is perhaps one of the most important supporting elements towards *building a business case for greater IT investment*.

Beyond all that, and perhaps most importantly, as we identify the key areas in which we are inspired to improve upon next year, it can only benefit the organizational journey to glimpse the opportunities that others are prioritizing. With this additional insight, we can thoughtfully shape our own plans for optimizing service delivery and increasing customer satisfaction. This awareness can also improve our ability to pursue and maintain competitive advantage.

In addition to the Axios research, we've woven in many more supporting insights made possible by third-party research from organizations such as Deloitte, Gartner, HDI and others.



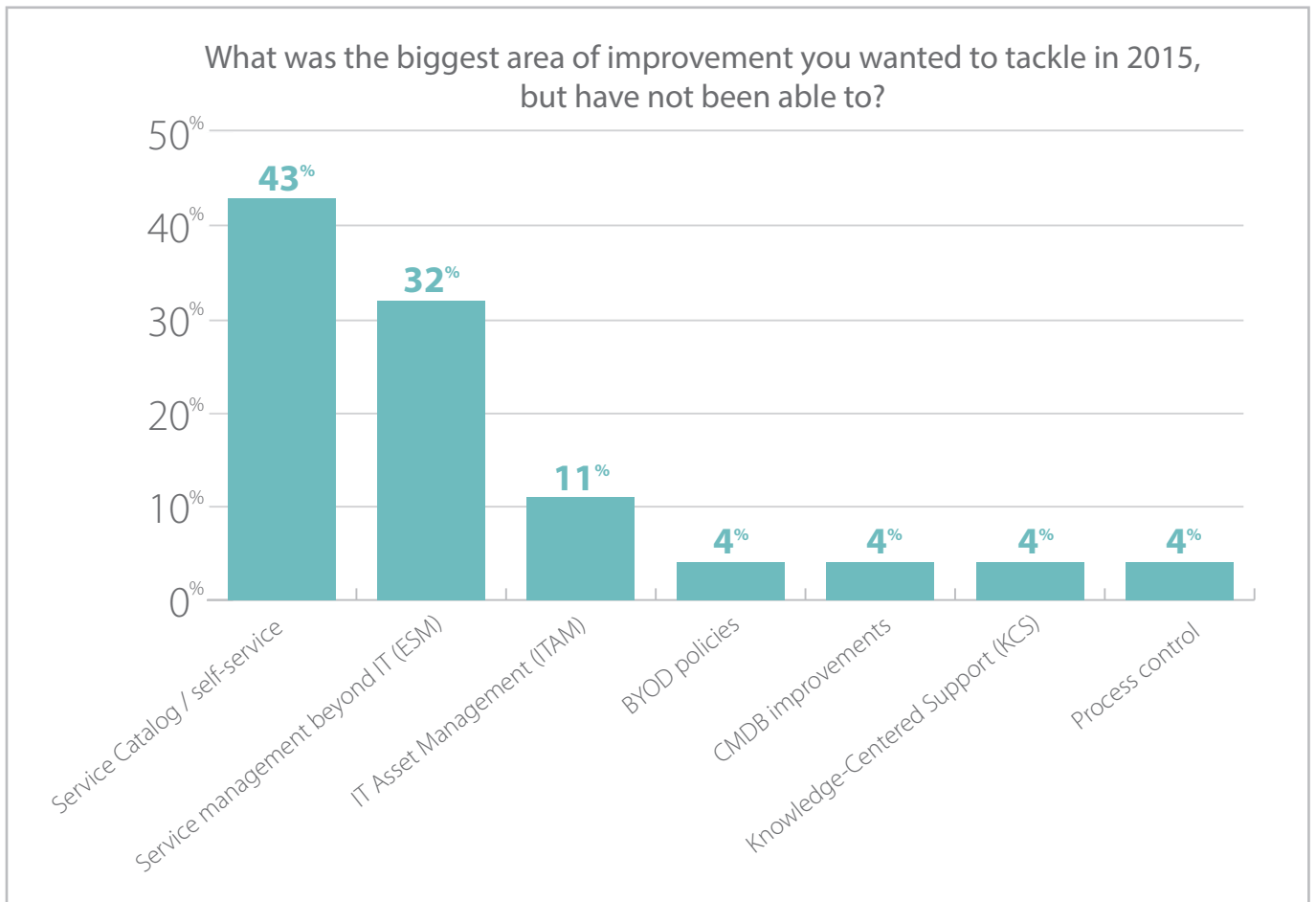
# Recognizing the shortcomings of 2015

As well as revealing the opportunities for 2016, the insights of the Axios survey also offer a glimpse into some of the ITSM goals that didn't fully materialize in 2015.

Topping this particular list, more than 40% of respondents said they wanted to implement self-service, or a Service Catalog, but were unable to complete this goal.

This issue was followed closely by more than 30% of respondents who said they wanted to implement service management beyond IT, and 11% of respondents who said they intended to pursue IT Asset Management (ITAM), but were unable to complete these objectives.

Other responses to this question crossed the range of Bring Your Own Device (BYOD) policies, Configuration Management Database (CMDB) improvements, knowledge-centered support and process control, as the table below reveals:



What might your organization be missing out on if you've not yet pursued the key areas listed above? Let's explore the major focus areas:

## Self-service:

Self-service is a feature adopted by organizations committed to eliminating unnecessarily manual, time-consuming and resource-intensive processes. Self-service allows users to quickly self-resolve issues, such as password reset, in a more instantaneous manner, and without the need to wait on other teams and processes.

Self-service functionality takes the strain off the service desk by empowering end users to log and resolve their own issues, request and track services, share knowledge and solve problems through collaboration. It's a one-stop shop for end user interaction with the IT department.

# Recognizing the shortcomings of 2015 (Continued)

Despite some teams missing their goals for self-service last year, it's interesting to note that self-service has actually increased to 81% uptake, according to the Service Desk Institute.<sup>1</sup> It clearly remains a high priority for many organizations.

Gartner reports that: By 2016, 20% of infrastructure and operations (I&O) organizations will incorporate consumer self-service practices into their IT self-service strategies, up from less than 5% today.<sup>2</sup>

## Service Catalog:

The creation of a Service Catalog fits in within IT maturity levels 3 and 4, where processes transform into services and then business value. A Service Catalog provides a virtual 'shop window' to the business, acting as a one-stop shop for IT and non-IT services.

Providing shopping basket functionality is fantastic, and expanding the catalog into non-traditional areas is becoming the norm. This can include the ability for customers to log their own incidents and view progress.

Do you want to optimize IT's effectiveness throughout your organization? Gartner advises that: The definition of a service and the service portfolio must evolve, just as the IT organization and its delivery focus must evolve. Most organizations start defining services while still focused on asset management and process improvement, so the service list reflects an IT-centric perspective.<sup>3</sup>

Can you imagine the problems this mindset and approach can create for the business-IT relationship? From the same report, Gartner cautions: Without a clear definition of service from a business perspective, IT cannot progress in the capabilities and maturity needed to support service and optimize delivery value.

## Service management beyond IT:

This practice, also known as service management outside IT, or Enterprise Service Management (ESM), allows you to extend the benefits of service management to departments such as Finance, Procurement, Human Resources and potentially every single team across the business. ESM tailors the principles of optimal service management to the processes and terminology of each unique team, increasing customer satisfaction for service delivery in all spaces.

Consider what happens when a new team member joins — this is a great example of how ESM can create shared efficiencies across many departments via one experience.

Within your service management system, a new profile will be created for the employee, passing through various departmental touchpoints (Payroll, Facilities, Health and Safety, and others) to ensure that all the necessary requirements are in place to create a smooth, streamlined experience.

The net effect? Applying ESM to this situation minimizes any potential delays in the start-up period, creating an extremely positive experience for your new colleague and minimizing adverse impacts, disruptions and delays across the business.

More than half of the organizations are applying or planning to use service management beyond IT, to improve and optimize service delivery in departments such as Finance, HR, Procurement, Facilities Management etc. Can you guess who's championing this transformation? HDI have reported that in recent years, it's a fairly even balance of IT and non-IT leaders (53% from IT, vs 47% from other departments, if you probe closely).<sup>4</sup>

The news gets even better. In 45% of organizations that have applied service management to non-IT areas, the organizational perception of IT value within the business has improved, according to HDI.



5 <sup>1</sup> Service Desk Benchmarking Report 2015, Service Desk Institute, September 2015

<sup>2</sup> Design IT Self-Service for the Business Consumer, Gartner, February 2014

<sup>3</sup> Maturing the IT Service Portfolio for Strategic Business Impact, Gartner, November 2015

<sup>4</sup> Service Management: Not Just for IT Anymore, HDI & itSMF USA, October 2014

# Recognizing the shortcomings of 2015 (Continued)

## IT Asset Management (ITAM):

Significant cost reductions can be achieved when you align asset management with service management. This is achieved by integrating ITAM processes and technologies with IT service desk tools and incident and problem management.

There's an urgent need for better asset management in virtually every aspect of the modern workplace. Software asset management in particular is becoming increasingly important, especially when you consider the frequency of major software audits and heavy penalties likely to be incurred when software is not 100% accurately managed.

Audits can be an extraordinarily stressful experience, commonly occurring with very little notice and drawing negative attention to the IT department if issues are noted.

Thankfully, ITAM allows you to run your workplace more cost-effectively and with the peace of mind that when an audit occurs, your organization is fully prepared. Beyond that, and possibly of more visible value to everyone throughout your organization, ITAM also enables you to support a mobile workforce, prevent security attacks and even run a greener office with less energy wastage. For these reasons, it's easy to understand the disappointment of not having been able to tackle this focus area last year.

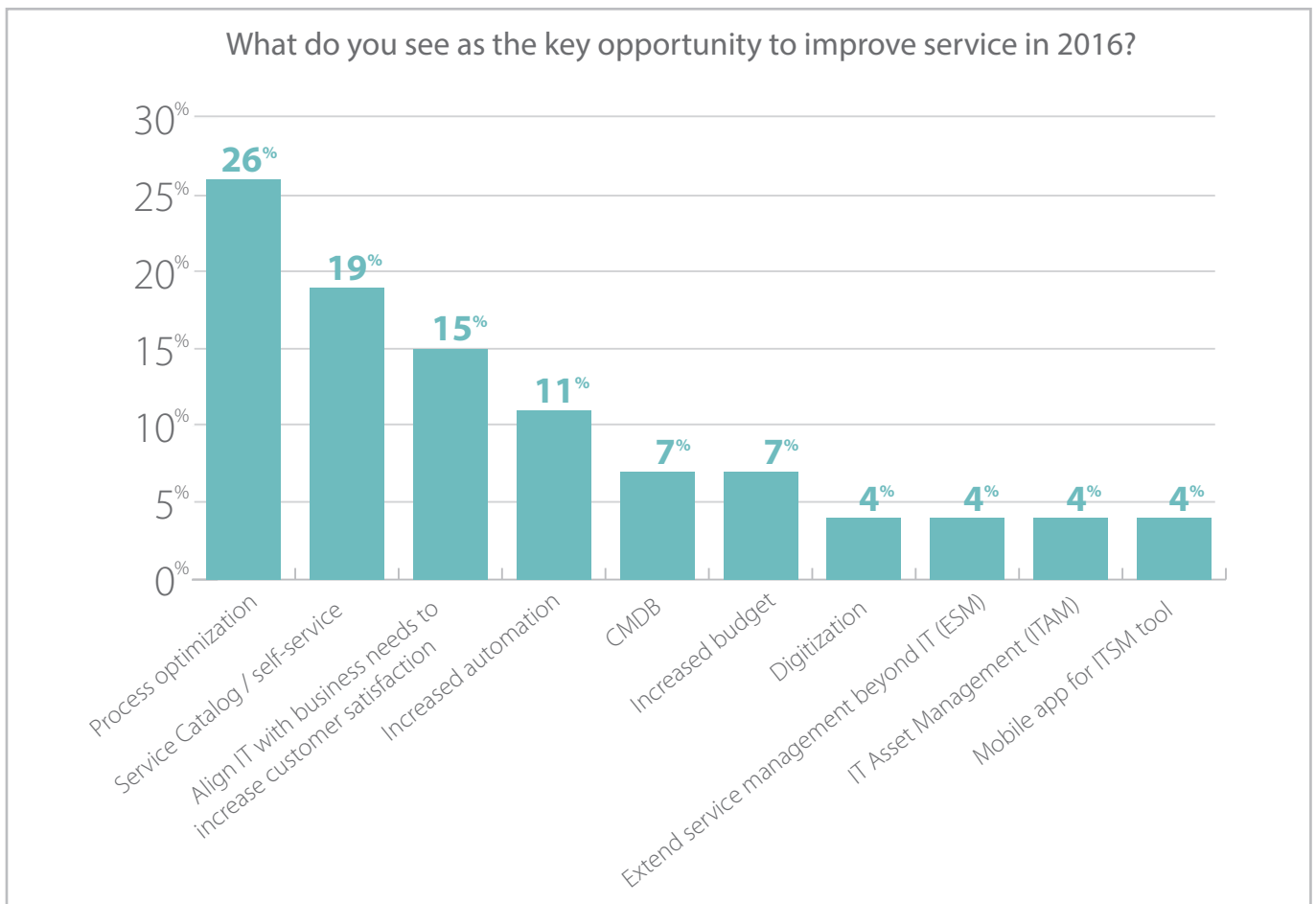
*Moving past the disappointment of projects left uncompleted last year, let's shift our focus onto industry expectations for service management in 2016. And as we think through these expectations, let's frame our New Year's resolutions in light of what the business needs, rather than purely what IT wants.*



# Embracing the opportunities of 2016

Based on these reflections of 2015, it's interesting to discover that one in four respondents plan to prioritize process optimization in 2016. This is followed by nearly 20% of respondents saying that self-service and the Service Catalog are key opportunities for improving service next year. So, although IT leaders may have struggled to fully pursue these features in 2015, the opportunities remain in focus, if not quite in the No 1 position.

We also see that 15% of respondents recognize the value of aligning IT with business needs to increase customer satisfaction, as being a key opportunity for 2016. Increased automation is also a leading response, according to the table below:



Why are these opportunities so key to getting the most from your IT-business relationship? Let's look at the top priorities, one by one.

## Process optimization:

The goal of process optimization is to find opportunities to minimize costs, while maximizing efficiency. Process optimization can also help ensure regulatory compliance, boost departmental accountability and help eliminate wastefulness. It also allows you to secure company assets more effectively, thanks to tighter internal controls.

The transition from manual to automated processes is a key element to process optimization. Are you currently relying on spreadsheets to input support requests? Does the process require someone answering a call, asking fact-finding questions, inputting the information into your spreadsheet, and then sending an email to one or more teams to investigate and resolve? That's an extraordinarily resource-intensive manual process. But what if the entire experience could be managed by a single system, with all parties receiving the appropriate notifications? A solid service management strategy provides just that, and it's just the beginning of what you can achieve with a process optimization strategy in place.

# Embracing the opportunities of 2016 (Continued)

## Service Catalog and self-service:

Although we addressed these topics in the last section, it's worth touching upon them again — they're key to improving IT maturity. For now, let's touch upon how these tools are currently being used within the industry to create a culture of success.

As a public sector body employing almost 3,000 people in the UK, the Forestry Commission opted to combine the powerful forces of self-service and a well-designed Service Catalog to create a more robust service management system. The result? A system which is now simpler to maintain, more agile and offers the ability to support new services. Since implementation, the number of contacts processed via self-service increased to 60%. Additionally, management have the benefit of real-time reporting for greater insight into organizational efficiencies.

Impressively, the Forestry Commission's improved solution has been designed to incorporate services from a range of departments beyond IT, including:

- ICT
- HR
- Finance & Accounting
- Telephony
- Building maintenance

Read more about how the *Forestry Commission continues to improve service delivery* across departments by prioritizing the Service Catalog and self-service.

## IT – business alignment:

Does this feel like little more than a utopic vision where you are today? Or do you sense a deeper synergy emerging thanks to proactive communication and strategy alignment? To *achieve IT-business alignment*, it's useful to identify the current touch points that exist between IT and the business. As a starting point, you should look to the interactions captured via the service desk, and through any reporting dashboards or meetings. A thorough review will help you identify any gaps in interaction.

But why does IT-business alignment really matter? Strategic alignment supports IT governance, as well as risk- and compliance-management. It does this by enabling transparency in your processes, with your service management solution acting as conduit of decision-driving information.

*From process optimization, to implementing a Service Catalog or self-service, and finally IT-business alignment, these are all worthy business priorities and each rightfully belongs on the list of key opportunities in 2016. Each priority has the potential to make positive contributions across the business. Fueled by this enthusiasm, let's check out a related case study and then turn our attention to the challenges expected in 2016.*







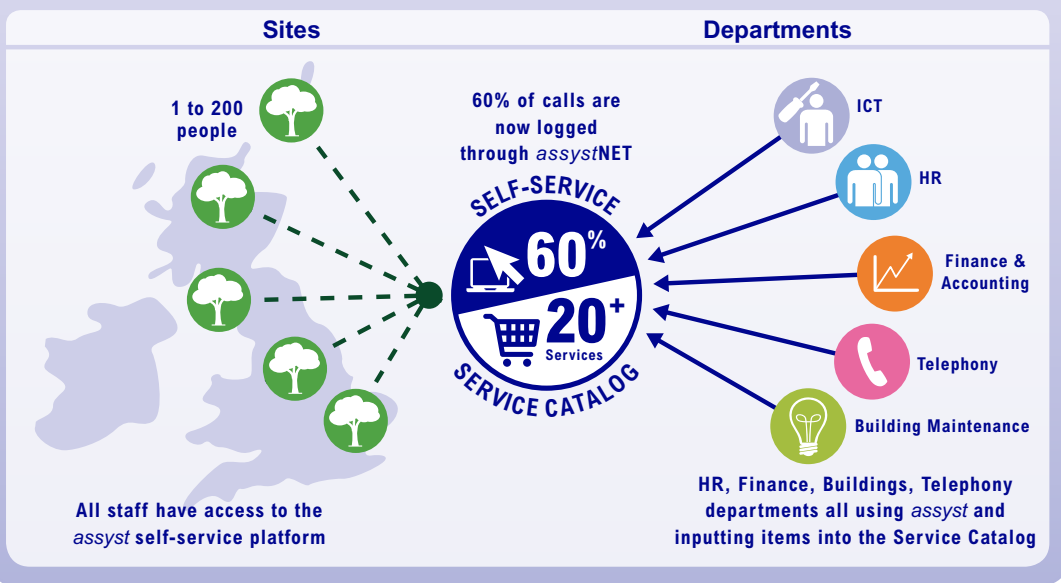
# Axios **assyst**® Case study

The Forestry Commission transforms service delivery across all functions while increasing customer satisfaction with **assyst** from Axios Systems.

The Forestry Commission is recognised and respected as an international leader in sustainable forestry, with a mission to protect and expand forests and woodlands and increase their value to society and the environment. It employs almost 3,000 people, including 15 IT support staff, spread across 100+ sites. Sites can constitute of 1 to 200 people and many are very remote.

The Forestry Commission is a non-ministerial government department responsible for forestry in England and Scotland. Set up in 1919 to expand Britain's forests and woodland after depletion during the First World War, the Forestry Commission manages almost 700,000 hectares (about 1.7 million acres) of land, making it the country's biggest land manager.

## All-encompassing access across sites & departments



### Challenge

- New structures and processes within the business
- Requirement for higher level of self-sufficiency
- Flexibility to develop their own service offerings

### Solution

- Upgrade to the latest version of **assyst**
- **assystNET** self-service portal and Service Catalog rolled out to all business users
- Restructured CMDB

### Benefits

- Increased self-reliance and greater agility
- Reduced number of calls to the service desk
- Significant improvement in quality of service
- Significant improvement in customer satisfaction freeing up resources on the Service Desk
- Management insight through real-time reporting

## History / Use of **assyst**

The Forestry Commission has used **assyst**, Axios Systems' ITSM solution, since 1997 and was one of Axios's first customers. Prior to this, IT Service Management was purely spreadsheet based within the organization. The Forestry Commission is using **assyst** for Incident Management, Change Management, CMDB, Service Catalog and was one of the first to roll out the **assystNET** self-service platform. In addition, the Forestry Commission integrates with Active Directory and legacy systems. **assyst** is available to all staff throughout the organization, and managed from the Forestry Commission's datacenter, based in Edinburgh.

*“**assyst** is essential in allowing us to continue to deliver a quality service to our customers.”*

**Carol Houston – Service Desk Manager, Forestry Commission**

**assyst** is used throughout the business. Whilst used primarily for ICT, it is also used for Telephony, Building Maintenance, HR and Finance & Accounting, demonstrating true efficiency in using **assyst** outside of IT.

# The Challenge

Over the years, the business has evolved; a common issue that most organizations will be familiar with. The structure and processes within the organization have changed and the Forestry Commission's original *assyst* setup reflected infrastructure and organizational data which were out of date. The team realized that it was time to update this original setup to align with their new ways of working.

The Forestry Commission was also aware that the latest version of *assyst*, v10, had additional functionality which would allow them to be more self-sufficient in delivering self-service via *assyst*NET and allow them to roll out the provision of service offerings via the Service Catalog. The Service Catalog would give them the flexibility to develop their own offerings over time and thereby allow them to significantly increase the services available through the Catalog.

## Solution

The Forestry Commission upgraded to the latest version of *assyst*, including a full implementation of the Service Catalog, in August 2013. At the same time they changed a lot of the data in the system to reflect how they now operate.

There are currently around 20 services going through the Service Catalog, with 6 more in the pipeline. The Service Catalog was rolled out across the entire organization, advertised via an internal newsletter and on the intranet, and the IT team monitored its rollout and usage.

In addition to the Service Catalog and updated processes, the Forestry Commission took the upgrade as an opportunity for a significant structural reorganization of the CMDB.

## Results

The biggest benefit that the Forestry Commission has experienced, following the upgrade, is that the system is now simpler to maintain, therefore giving them improved self-reliance. It is more agile and they have the ability to add new services and manipulate the software themselves without having to go back to Axios for help.

60% of calls are now logged through *assyst*NET, which has consequently dramatically reduced the number of phone calls to the service desk, freeing up analysts to focus on other key tasks. The Forestry Commission has also seen the benefits from moving to the newer web-based *assyst*NET interface.

Already a mature *assyst* user with an advanced offering, the implementation of the Service Catalog has enhanced the Forestry Commission's existing *assyst*NET. It is available to all staff throughout the organization and has allowed them to significantly improve the quality of the service they provide. ICT staff received a lot of positive feedback from their customers following go-live. They listened to suggestions on how to improve the service further and are now taking these suggestions on board in order to further increase customer satisfaction amongst an already happy end-user base.

## Future Plans

Having seen the success of the Service Catalog, more and more departments in the Forestry Commission's business areas are now coming to ICT to ask for their own items to be added. There are plans to roll this out more widely across the business over the coming months. The development of the Service Catalog has also been added to the Forestry Commission's Continual Service Improvement plan to ensure that time and resource is available for future development.

In addition, the Forestry Commission would like to implement Problem Management within *assyst* in the future as well as implementing and developing a knowledge base.

*“ The query tool and the improved web based interfaces have really made a difference for me. Smartmail has also been a revolution for us. ”*

**Mark Cassidy - Head of Service Delivery, Forestry Commission**

*“ Self-service and the Service Catalog have been instrumental in reducing workload on the Service Desk and increasing efficiency and visibility of IT across the business. In addition it has led to significant cost savings through providing end-users with the ability to log and track their own incidents and requests. ”*

**David Felstead - Director, Information Services, Forestry Commission**

*“ The Service Catalog is great. I can place an order online without having to call IT and track the status in real time, whenever I want. It is so much easier. ”*

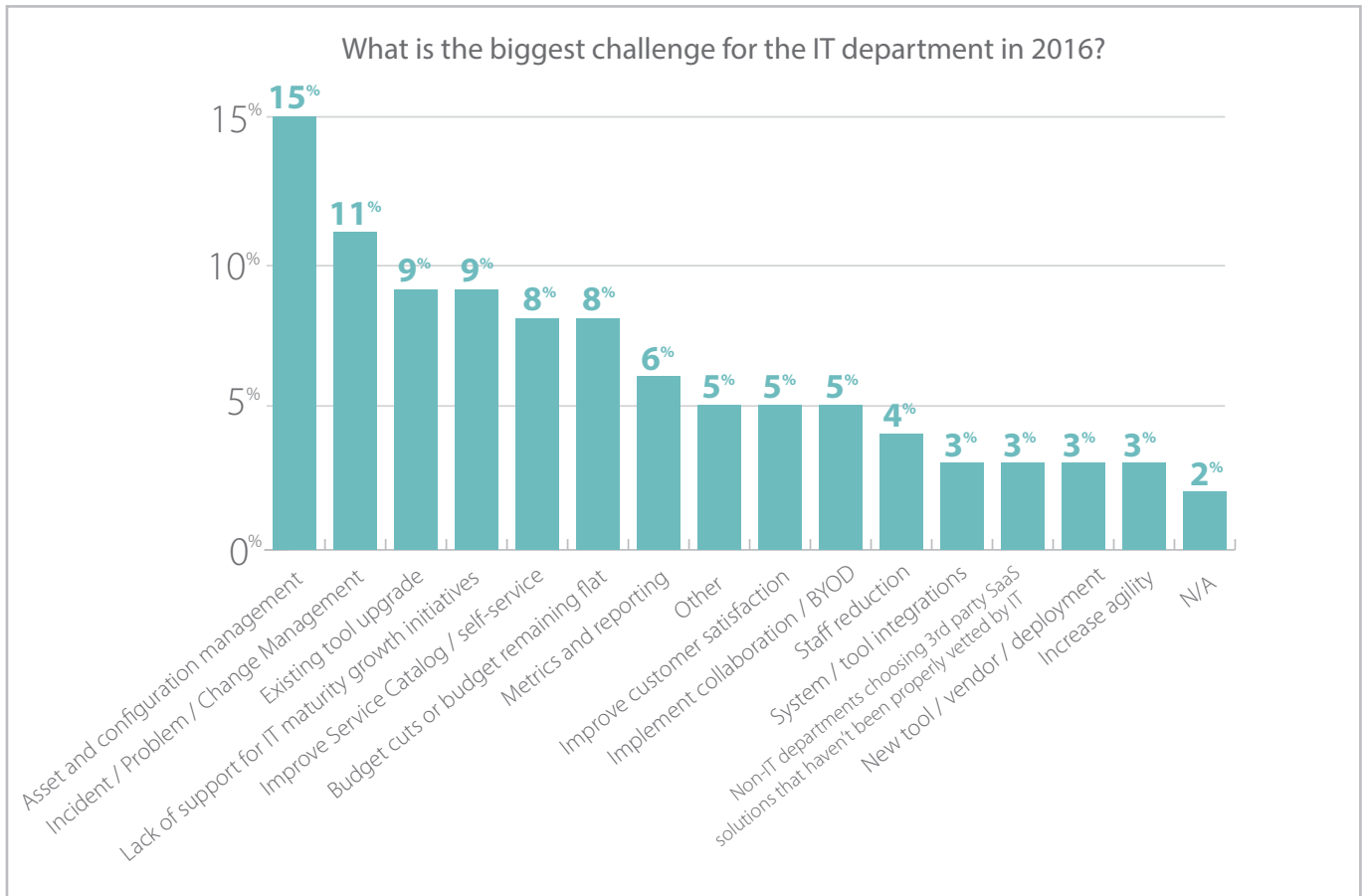
**Service Admin, Forestry Commission**



# Preparing for the challenges of 2016

Having identified the opportunities for 2016, let's turn our attention next to the biggest challenges of the coming year. Asset and configuration management lead the list, followed by incident/problem/change management. The list also includes tool upgrades, IT maturity development and other challenges.

At a bird's eye view, here are the leading challenges we can expect in 2016:



Let's dig into the headline challenges.

## Asset and configuration management:

Asset management allows you to easily track and manage devices. Major cost savings can be achieved once you begin to fully leverage all the resources that the organization has already purchased, including software licenses. Would you rather spend thousands of dollars/pounds/euros, etc. on new licenses when it's entirely likely that a number of pre-allocated licenses are being underutilized, or not even used at all? And how many discarded laptops are sitting in the office storage closet, left to gather dust whenever an employee leaves the business or switches to a new device? Without question, there's a major win to be had with asset management.

The benefits of asset management extend further, including into energy management. A stronger energy management policy has economic and green advantages. It allows you to provide remote-based desktop support, which offers the benefits of greater flexibility and cost savings.

Configuration management allows you to establish and maintain consistency in performance and function. With configuration management, you can implement a cost-conducive, agile, efficient solution with minimal risk.

Automating configuration and asset management can significantly increase an organization's efficiency and effectiveness. Following this best practice can also yield substantial cost savings. If you stick to manual processes, this has the tendency to increase costs and the potential for errors. Automating management systems, on the other hand, allows you to benefit from consolidated processes.

# Preparing for the challenges of 2016 (Continued)

## Incident/problem/change management:

These areas of focus are perhaps among the most ubiquitous for our readers here. So why would they appear as a leading challenge in 2016? Despite being a fundamental part of the IT foundation at virtually every level of IT maturity, this topic continues to permeate the challenge radar because management of these issues is at the heart of everything the IT department is designed to facilitate. Yet it doesn't always go well. Particularly when change management is at stake, poor communication or a lack of sharing/learning from feedback can contribute to a negative end user experience.

Incident management, which seeks to swiftly restore services when they go down, is also expected to be an industry-wide challenge next year, as is problem management. While an incident remains active, problem management aims to minimize any economic impacts through disruption diagnosis and resolution options (temporary and permanent). The relationship between the two is closely interwoven, but not synonymous. It's imperative that we look to foster harmonious dynamics throughout process management.

## Existing tool upgrade:

Nearly one in three support centers has implemented new service management technology over the past year, according to HDI<sup>5</sup>. We can expect that a similar number will do likewise in the coming year.

The real challenge, of course, is that in order to improve your organization's IT maturity level and therefore competitive advantage, you must decide whether to upgrade or migrate service management solutions. Yes, it's important to evaluate the maintenance and administrative overheads of your current solution. But you also need to determine whether your ITSM solution offers adequate flexibility, for example if you're looking to streamline additional services into your Service Catalog, as the Forestry Commission has done.

Truly, however, the last reason you should change solutions is purely for the sake of change. Instead, assess whether your current solution is capable of supporting the agreed business priorities. If it falls short, review other options that sync with these requirements.

Learn how to avoid *five common upgrade headaches*, starting with application complexity. You'll also discover a smooth process for successfully migrating customizations and integrations.

*Having scoped the opportunities and challenges of 2016, let's now take a closer look at wider business priorities confronting CIOs.*



# Pairing business priorities with investment

Equipped with an understanding of the specific IT challenges and opportunities of 2016, it's appropriate to contextualize these within a framework of wider trends that the CIO community is likely to encounter.

In their annual CIO survey<sup>6</sup>, Deloitte report that the leading business priorities for CIOs across all industries include:

1. Performance (48%)
2. Cost (45%)
3. Customers (45%)
4. Innovation (45%)\*
5. Growth (44%)
6. Regulations (21%)
7. Reconfiguration (19%)
8. Cybersecurity (18%)
9. Talent (12%)

\*Comparatively, nearly 60% of CIOs from the technology and telecommunications sectors report that innovation is their leading priority.

To make any of these priorities happen, the ideal characteristic of a CIO is the ability to influence internal stakeholders and business leaders, as reported by nearly 80% of Deloitte's respondents. Yet only 9% of CIOs said they have all the skills they need to succeed.

Strikingly, talent falls at the bottom of the CIO priority list. Yet, it's promising to note that 45% of respondents in a Service Desk Benchmarking report<sup>7</sup> expect their headcount to increase over the next year.

Looking longer term, the following areas of technology are expected to have a significant impact on organizations within the next two years, according to Deloitte:

1. Analytics and business intelligence (77%)
2. Digital (mobile, social, web) (75%)
3. Cloud computing (64%)
4. Cybersecurity/data privacy (58%),
5. Legacy/core modernization (47%)
6. Emerging technologies (28%)

So, how effectively are IT budgets supporting these priorities? Notably, 50% of CIOs expect high investments in legacy/core modernization, as well as analytics and business intelligence. The Deloitte study also found that IT budgets are being allocated primarily to operations (57%), followed by enhancements (27%) and only then business innovation (16%).

Operational investments are closely linked to performance, cost, and indeed many items on the list, but it's interesting to observe the relative disconnect in the Deloitte report, between the low-priority of investment in business innovation, compared to the higher priority an innovation focus enjoys from the CIO perspective.



# The ultimate success factor: customer satisfaction

To make any of these goals possible, we should explore the issues currently facing support teams at ground level.

Ticket volumes have increased for more than 60% of organizations over the last year, according to HDI.<sup>8</sup> By comparison, only 10% of organizations have observed a drop in ticket volumes. Despite growing demand for support, only one in four support centers offers 24/7 support.

This trend adds up. A single ticket commonly costs \$16 to resolve. This includes the cost of providing the people, infrastructure and overhead, and is calculated by dividing the total number of tickets resolved through any channel.

But beyond costings, how will you really measure the business contributions made by process optimization / Service Catalog and self-service / IT-business alignment? In this respect, we must consider **customer satisfaction**.

On average, 87% of end users are satisfied with ticket resolution, as well as the support center overall, according to HDI. Indeed, 45% of organizations told HDI they observed an increase in customer satisfaction.

That's incredibly positive news. Equally, however, we ought to query the reasons for 13% dissatisfaction: what was the severity of the various issues, what was the business impact, which users were adversely impacted? What effect did all this create on the reputation of IT?

Customer satisfaction is the common denominator belying each of these factors.

When focusing on improving the IT-business relationship, one of the leading indicators to observe is customer satisfaction. These insights should factor into a continual service improvement plan. SDI report that nearly 70% of service desks measuring customer satisfaction will feed the results into a continual service improvement plan.<sup>9</sup>

Whether your goal is to improve process optimization, self-service or the Service Catalog, if you don't make customer satisfaction a priority, then you're quite possibly failing to capitalize upon customer feedback.

Engaging in customer feedback is key to building and maintaining a positive reputation for IT, throughout the organization. Customers come from all levels and departments: you can't ignore on-the-ground perspectives any more than a C-level voice. Or do so at your own peril, because the risk is that you may be imposing IT structures and objectives onto end users without truly seeking to understand their needs, challenges and goals. Yet, if you recognize customer feedback as an opportunity to continue learning about the business, its challenges and objectives, then you are more likely to be working in partnership with stakeholders and end users of all backgrounds.



## Recommended reading

If you're looking for third-party analyst guidance on selecting a service management solution, we recommend you review *Info-Tech's Enterprise Service Desk Software Vendor Landscape* and the *August 2015 Gartner Magic Quadrant for ITSSM Tools*.

We've also produced how-to guides to help you *build a business case for IT investment*, successfully *migrate to a new ITSM platform* and learn *how to integrate ITSM and ITAM*.

A full list of service management resources — including whitepapers, videos, presentations and case studies — is available here: <http://www.axiossystems.com/resources>



## About Axios Systems

For more than 25 years, Axios Systems has been committed to innovation by providing rapid deployment of Service Management software. With an exclusive focus on Service Management, Axios is recognized as a world leader, by the leading analysts and their global client base.

Axios's enterprise software, *assyst*, is purpose-built, designed to transform IT departments from technology-focused cost centers into profitable business-focused customer service teams. *assyst* adds tangible value to each client's organization by building on the ITIL® framework to help solve their business challenges.

Axios is headquartered in the UK, with offices across Europe, the Americas, Middle East and Asia Pacific. For more information about Axios Systems, please visit us:

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