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Transforming the IT Value Chain

Accelerate digital transformation, and realize better business outcomes

Transform the IT experience for better business outcomes

Digital transformation should be on every organization's agenda. And IT is in the perfect position to help drive this transformation. But is your IT organization able to deliver?

This ebook outlines the need for the transformation of current IT experiences to deliver on corporate digital transformation goals, improve IT service delivery and support, and, ultimately, realize better business outcomes.

Consider the IT organization status quo

On the one hand, working in IT is getting easier—with technologies available, including artificial intelligence (AI)-enabled capabilities, to make both work and life easier. On the other, the performance bar is being raised thanks to higher expectations coming from both the business and employees.

These higher expectations are being driven by a number of factors, including:

- **Employee expectations of IT** – today's employees expect the consumer-like quality of service they receive in their personal lives to be replicated at work.

- **Digital transformation strategies** – improving back office operations is vital to supporting front-office digital transformation.

- **A focus on value creation over cost reductions** – the business conversations and direction for internal IT organizations has changed.

- **The increased reliance on IT services and support capabilities** – with IT issues have become business-related issues that affect productivity and operations.

To successfully address these drivers, your organization will need to transform the IT experience.

Are your current IT tools helping or hindering?

Technology has a big part to play in improving both IT's ability to innovate and business outcomes. Sadly, however, too many organizations are held back by their current IT technology investments, suffering from:

- **Point tools and legacy "solutions" that haven't lived up to their promise.** There's no easy integration or collaboration across all of IT. Plus, the complexity is a barrier to the transformation in IT experience.

- **The recurring overhead of maintaining interoperability.** With too many integrations and their maintenance taking resources away from more important work.

- **Multiple data models that limit the ability to work across the IT value chain.** Employees are working within "closed" teams and tools, and it's difficult to aggregate data to understand and improve performance.

These legacy solutions, complex integrations, and multiple data models not only result in suboptimal decisions, operations, and business outcomes. They also result in poor experiences for everyone.

Ultimately, in the status quo where "functional silos" are reinforced, the results are debilitating. Business costs—not just IT costs—are increased, a 3-5% negative impact on EBIT due to system complexity . The speed and agility of advancements are, at best, limited to development. And support and user experiences are inconsistent and mostly subpar.

For digital transformations to succeed, something has to give in terms of the current IT experience.

Organizations must transform the IT value chain

A single IT platform—powered by a unified data model, shared intelligence, best practice workflows, platform-level AI capabilities, and a common look and feel—is the key to improving processes and creating efficiencies. With the right platform in place, organizations can achieve:

• **Higher volumes of quickly delivered innovation** – for instance, by increasing the velocity of change through automation.

• **Alignment of IT activities and spend to business priorities** – from better balancing project and service investments, to reducing the adverse impact of major incidents.

• **Greater visibility and insight into the end-to-end IT value chain** – from real-time performance management to the better identification and prioritization of improvement.

• **Employee-impacting improvements** – whether this is deflecting high-volume, low-value tasks through AI and automation, offering AI-assisted self-service, or providing bespoke apps.

How to transform from reactive to proactive

There's a big opportunity to become more productive and proactive by managing the complete IT value chain on a single platform. When companies digitize their workflows on the Now Platform®, they can improve in three key ways:

1. Delivering more innovation at speed

By harnessing the velocity of DevOps while maintaining control, companies can move fast and build things. An example of this is "intelligent change management," in which policies, and their automated application, take the risk out of the change process and optimize speed.

The integration of change management with the DevOps toolchain, using REST APIs and automated approvals, make it possible for organizations to automate 100% of their standard and normal changes. Here are a few examples of results that can be achieved using the Now Platform:

• Wayfair achieved a 95% reduction in delivery time, a 50% reduction in outages, and a 2-minute fix time.

• HealthPartners, for whom change management was a serious bottleneck, achieved a 96% reduction in change process time, 3x faster time to value, and a 100% change success rate.

2. Aligning to business priorities

There's a need to optimize IT investments—something best achieved through a single view of project and service data. The Now Platform, with both portfolio management and service management applications and a single database, delivers that insight.

Customers can then better align applications, budgets, demand, and labor to business priorities. For example, Virgin Trains transformed the rail experience, streamlining internal processes and excellent service delivery to achieve a 60-point increase in their Net Promoter Score (NPS).

A single source of truth for IT and cross-team collaboration drives rapid response and resolutions. On average, ServiceNow customers experience a 60% reduction in the time to resolve major incidents. One customer, Stone Brewing, achieved a 55% reduction in unplanned downtime and a 71% reduction in equipment interruptions.

3. Delivering modern user experiences

Modern user experiences are increasingly technology enabled. With the Now Platform, customers can benefit from:

• Virtual assistants – freeing up staff time by automating tasks when appropriate. Using virtual assistants and machine intelligence, ServiceNow customers can expect to deflect 50% or more of service desk tickets.

• Intelligent automation – for example, in the initial assessment, categorization, prioritization, and routing of incoming tickets. With this operation based on requester input and learned patterns drawn from historical data.

• Predictive intelligence – providing service desk agents with everything they need (including AI-assisted recommendation) all in one place, leading to faster incident resolutions and higher agent productivity.

• Alert intelligence – where machine learning and automation pinpoints and resolves issues before they impact end users. This minimizes the impact of IT outages on business operation, with ServiceNow customers experiencing an average of 80% reduction in outages.

Quantifying the positive effect of improving the IT experience

Forrester recently studied the total economic impact of ServiceNow and the results were significant. Over the span of three years, ServiceNow customers achieved an average of:

- $9.7m in savings per customer, with infrastructure cost savings of $4.1m.

- $7.4m increase in IT productivity through the availability of real-time analytics

- $4.6m in productivity gains by consolidating applications on the Now® Platform

- A 25% or more shift of spend from maintenance to strategic initiatives

Next Steps

Transformation of IT is critical to corporate digital transformation strategies and, in particular, the ability to continually innovate. ServiceNow is unique in its ability to provide your organization with a single IT platform that covers planning through operations. The Now Platform makes it possible to deliver new products and services more quickly, better align IT investments and operations with business priorities, and offer modern AI-powered experiences that employees increasingly expect.

Discover how your organization can use ServiceNow ITSM and ServiceNow ITOM to transform the IT experience.

I http://www.atkearney.co.uk/operations/ideas-insights/article/-/asset_publisher/ LCcgOeS4t85g/content/how-much-does-complexity-really-cost/10192

II https://www.servicenow.com/content/dam/servicenow-assets/public/en-us/doc-type/ resource-center/analyst-report/analyst-the-total-economic-impact-of-servicenow.pdf

Transform IT

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ServiceNow is making the world of work, work better for people. Our cloud-based platform and solutions deliver digital experiences that help people do their best work. For more information, visit: www.servicenow.com.