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The State of Enterprise Service Management

INTRODUCTION

The goal of this study was to discover the breadth of the use of service management principles, practices, and tools across the entire organization, an expansion commonly known as enterprise service management (ESM). A web-based survey was used to collect responses during May and June 2018.The respondents represent organizations in 20 industry verticals and a wide range of organization sizes, from fewer than 100 employees to more than 50,000. This report was compiled from 363 qualified responses.

We sought to discover:

- How many organizations are doing ESM and which areas of the business have adopted it
- What's changed since our 2014 study on this topic
- What business imperatives are driving the expansion of service management
- Who's driving the expansion, and why
- Where the tools of service management are being used outside IT
- How service management has affected employee satisfaction and/or productivity

Key Findings

- **There was a rise of 6%** in organizations planning to apply the principles and practices of IT service management—as distinct from tool usage—outside IT, but no major change in the percentage of organizations already applying them.

- **77% of respondents identified improving** the customer experience as an influence for applying service management to non-IT areas.

- In those organizations that have expanded service management to non-IT areas and which measure employee satisfaction and/or productivity:
  - **52% say employee satisfaction has increased**
  - **75% say productivity has increased**

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- **Two-thirds of respondents said that their support organizations are now providing additional IT services,** while more than half said they're **supporting a broader scope of customers.** In every case, the responses for 2018 indicate that the support organization has taken on more responsibility (versus the 2014 study). **The percentage providing additional non-IT services has more than tripled.**

- HR is the area where the adoption of service management principles and practices showed the largest change between 2014 and 2018. In the earlier study, **38% of organizations identified HR as an adopter;** in the current study, that has **risen to 52%.** Financial services also rose, **increasing from 24% of organizations in 2014 to 30% in 2018.**

- In comparison with the 2014 study, there was a significant drop in the percentage of organizations using service management principles and practices in their customer service operations, from **74% in** **2014 to 55% in the current study.** Training (as a business unit) also dropped in adoption of service management, from **30% in 2014 to 23% in the current study.**

- In the 2014 study, just over two-thirds (68%) of organizations said they were using an ITSM solution. Now, **84% or respondents say they have an ITSM solution,** and **62% of them are using it outside of IT,** with an **additional 21% planning to use it.**

- Less than one-quarter of organizations **(24%) included a formal organizational change management program** as part of the expansion of service management to non-IT areas.

- The champion for the **expansion of service management was IT leadership in slightly over half of organizations,** in both the 2014 study and the current study.

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A LOOK BACK – "SERVICE MANAGEMENT: NOT JUST FOR IT ANYMORE"

In 2014, in response to significant changes in the service and support industry (mobile, the cloud, shift-left, remote work, etc.), HDI fielded a study to uncover the extent to which ITSM was being adopted beyond IT. Half of the organizations surveyed were either already applying or were planning to apply the principles of service management outside of IT, and in 53% of organizations, IT leaders were leading the charge and serving as consultants to non-IT areas of the business. In large part, this expansion was being driven by the expanding technical capabilities at the time; nevertheless, from a process perspective, ITIL, the foundational process library of service management, still reigned supreme. Moreover, the benefits for service and support were significant: in 45% of organizations that had applied service management to non-IT areas, the organization's perception of IT's value to the business has improved.

> **"** *For any organization that wishes to thrive (or, at minimum, remain relevant, applying ITSM outside of IT should prove to be one of the most important strategies an IT organization can pursue.* **"**
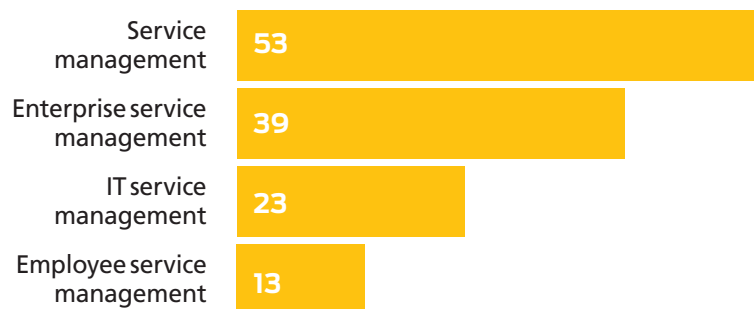
A LOOK AHEAD FOR ENTERPRISE SERVICE MANAGEMENT

The principles, processes, and solutions we'll discuss in this report have similar goals and outcomes, but the name they go by varies based on an individual organization's goals and objectives. More than half of the respondents to this survey call it, simply, service management.

People and Process

The current study considered enterprise service management through the lens of people, process, and technology. Nearly two-thirds of organizations are either using or planning to adopt the principles of service management outside of IT, up from 51% in 2014.

How does your organization refer to the principles of service management when applied outside of IT?

Service management	53
Enterprise service management	39
IT service management	23
Employee service management	13

Percentage of organizations (select all that apply = 100%)

Are the principles of service management being applied outside IT?

27%
32%
41%
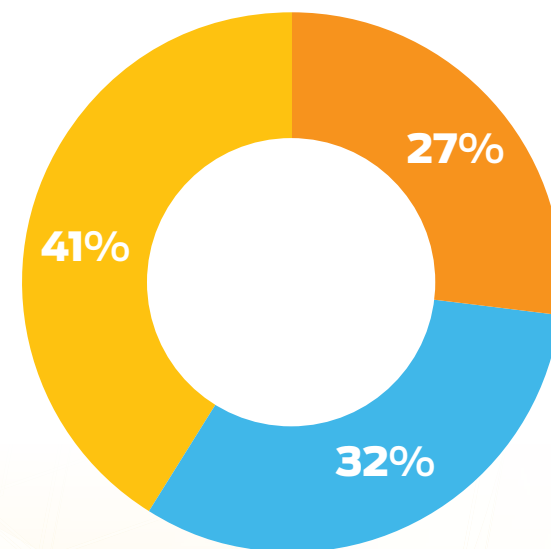
● Yes   ● Planning to adopt   ● No and no plans

Percentage of organizations

In organizations that either are applying or are planning to apply the principles of service management beyond IT, customer service/support was the most selected department, although that percentage has dropped to 55% from 74% in the 2014 study. Meanwhile, human resources (HR) rose from 38% in 2014 to 52% in 2018 and finance increased by 6% (from 24% to 30%).

Where are the principles of service management being applied?
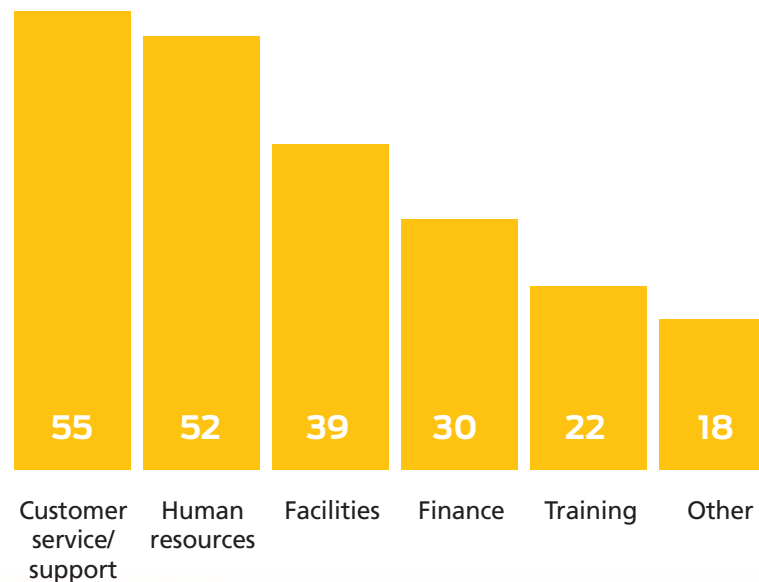
Customer service/ support	Human resources	Facilities	Finance	Training	Other
55	52	39	30	22	18

Percentage of organizations (select all that apply ≠ 100%)

▼ **CONTENTS**

In terms of the actual practices being applied outside of IT, it should be no surprise to learn that incident and request management top the list: they, along with knowledge management, have the highest adoption rates *within* IT, according to the HDI Practices & Salary Reports. Knowledge management increased by 7% over the 2014 study, while service catalog increased by 12%, which makes sense, given that it has been one of the major factors driving change in the service and support industry overall.

Which service management processes and practices are being applied outside of IT?

Process	%
Incident/service requests management	72
Knowledge management	59
Service catalog	56
Change management	39
Customer relationship management	35
Problem management	35
Asset management	32
Requirements management	12
Financial management	11
Supplier management	7

Percentage of organizations (select all that apply ≠ 100%)

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Technology

In 2014, two-thirds of organizations reported using a service management solution (87%, including those organizations that were planning to implement one); four short years later, an overwhelming majority of organizations are either currently using, currently implementing, or planning to implement one. A scant 6% of organizations report having no interest in implementing a service management solution.

Among the 94% of organizations using or planning to use a service management solution, almost all have selected solutions that can be used outside of IT. A further 83% either are now or are planning to extend their solutions beyond IT, into HR (58%), facilities (52%), and customer support (43%). Notable "Other" areas include health and safety, legal, risk management, travel, admissions, marketing, creative services, engineering, sales and business support/development, corporate operations, supply chain, and non-IT event management.

Does your organization use a service management solution?

6%
5%
6%
84%
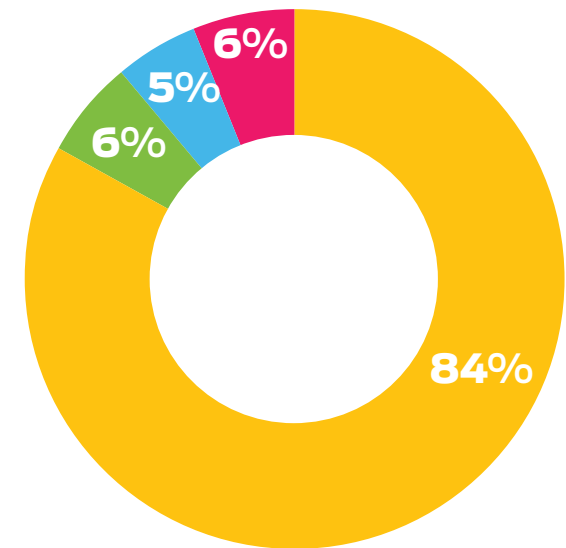
- Yes
- Currently implementing
- Planning to implement
- No, and no plans to do so
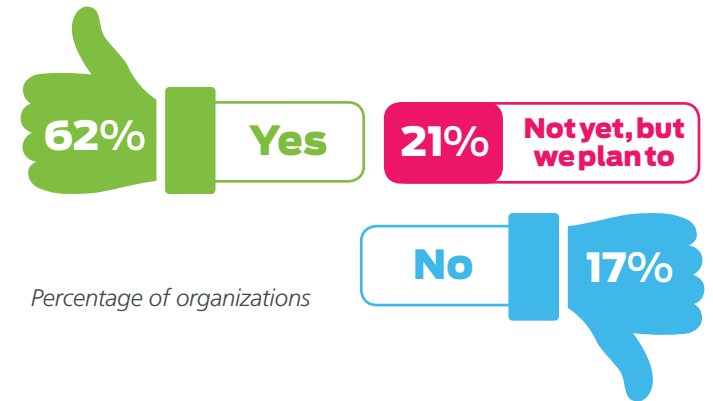
Percentage of organizations

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Can your service management solution be used outside of IT?

91% Yes

No **9%**

Percentage of organizations

Is your service management solution being used outside of IT?

62% Yes

21% Not yet, but we plan to

No **17%**

Percentage of organizations

In which non-IT areas will your service management solution be implemented?
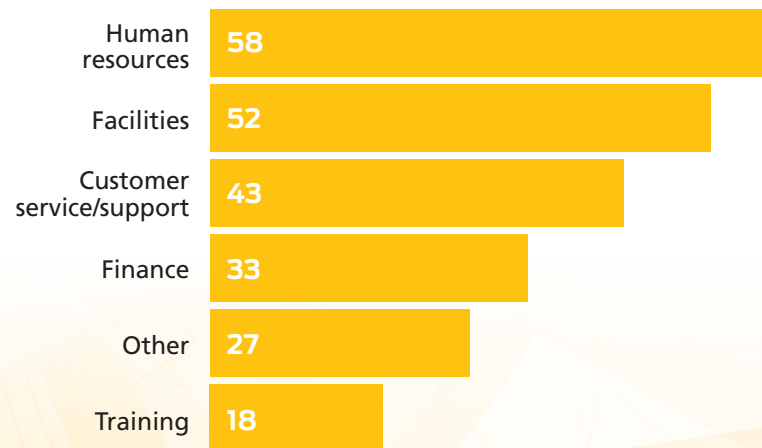
Human resources	58
Facilities	52
Customer service/support	43
Finance	33
Other	27
Training	18

Percentage of organizations (select all that apply ≠ 100%)

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Frameworks, Methodologies, and Approaches

As in the 2014 study, ITIL remains, by far, the most commonly adopted framework for service management. Agile, which was not offered as a choice in 2014, is now the second most widely used. Curiously, DevOps is being used outside IT by 14% of organizations, though *how* it's being used is a topic worth further exploration.

Which frameworks/methodologies are being applied outside of IT?

● 2018
● 2014

Framework	2018	2014
ITIL	64	64
Agile*	44	
Knowledge-Centered Service (KCS)	41	21
Lean	26	24
Six Sigma	17	26
Kaizen	16	14
DevOps*	14	
HDI Support Center Standard	14	12
ISO 9000	8	13
Total Quality Management (TQM)	7	10
ISO/IEC 20000	6	9
None	5	
COBIT	5	13
Capability Maturity Model (CMMI)	5	12
Microsoft Operation Framework (MOF)	2	4
Process Maturity Framework**	4	

* 2018 study only ** 2014 study only
Percentage of organizations (select all that apply ≠ 100%)

◀ **10** ▶
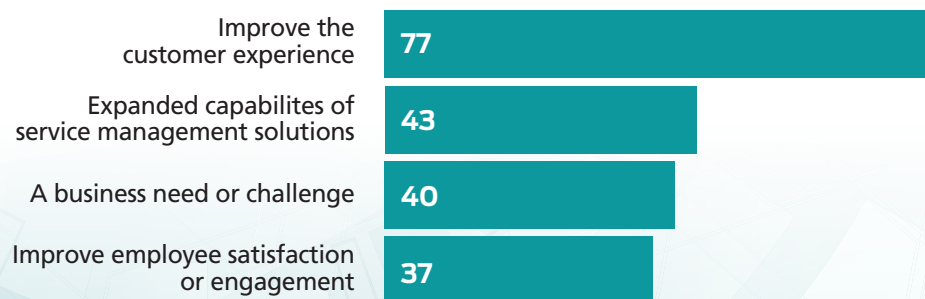
EXPANDING SERVICE MANAGEMENT BEYOND IT

Implementing service management can be challenging enough within IT; expanding it beyond IT requires a clear rationale for and understanding of the initiative's business drivers, stakeholder and staff buy-in, and (to do it right) a formal organizational change management program.

The most significant imperative driving the expansion of service management is improving the customer experience (i.e., the overall experience that customers—internal or external—have), identified by 77% of the organizations represented in this study. Improving the employee experience (i.e., the experience employees have in the course of executing their job duties, reflected in employee satisfaction ratings) is also an important business driver, as reported by a little over one-third of respondents. A further 43% of organizations are undertaking the expansion because their service management solution can support it (a phenomenon we described in 2014 as "We have a system that can do X, Y, and Z, but it can also do A. Let's use it for A"), while 40% are addressing specific business needs or challenges.

What business drivers are influencing the expansion of service management outside of IT?

Improve the customer experience	77
Expanded capabilities of service management solutions	43
A business need or challenge	40
Improve employee satisfaction or engagement	37

Percentage of organizations (select all that apply ≠ 100%)

> *All areas seem to have their own ticketing systems…or none at all. Facilities and HR have their own; Finance and Marketing have none. [Customers would] benefit from one portal where someone could get help from any of us.*

> *We're a new organization, growing rapidly, but not yet live with customers. There was a business need and challenge to establish and standardize best practices in multiple business units across the enterprise.*

– 2018 survey respondents

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Employee satisfaction (ESAT) is increasingly considered important—even critical—for business success. The vast majority of respondent organizations measure ESAT (85%); more than half do so annually (54%), while barely any do so daily or weekly (5% and 3%, respectively). In 52% of organizations that both measure ESAT *and* have expanded service management beyond IT, ESAT has increased; only 5% of organizations experienced a decrease in ESAT.
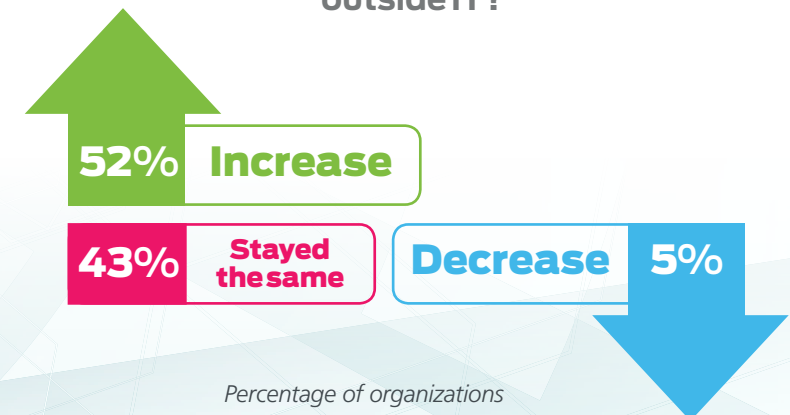
The expansion of service management has been described as an opportunity for IT to lead and contribute to desired business outcomes. Only in about one-quarter (26%) of organizations have the champions of enterprise service management come "from the top" – that is, from non-IT C-level executives. IT leaders drove or are driving the change in the majority of cases. A few of the "Other" responses should give us pause: Can a *service desk team lead* be expected to drive change across other business units? Should the *solution manager* be the point person for these changes? If we narrow our focus to the technology component of the changes, we can see how these roles might be in the lead, but enterprise service management is—or should be— more than the technology.

How often is employee satisfaction measured?

Annually	54
Semiannually	13
Quarterly	13
Monthly	12
Other	12
Daily	5
Weekly	3
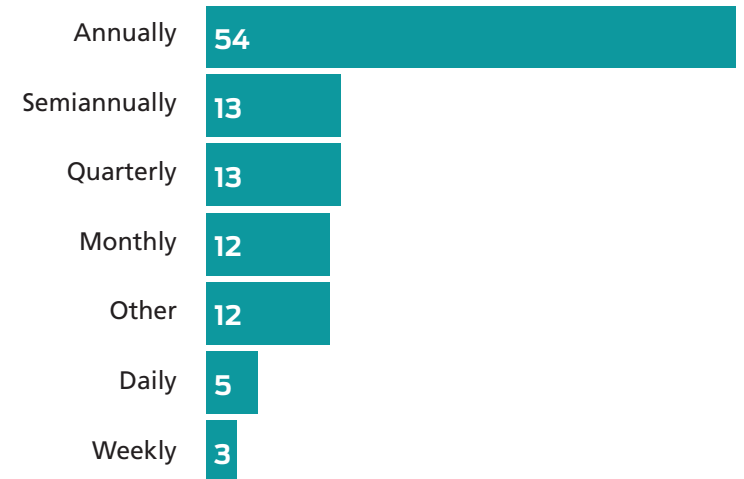
Percentage of organizations (select all that apply ≠ 100%)

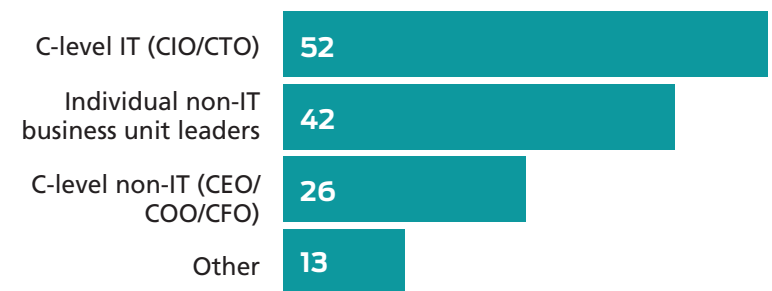### How has employee satisfaction changed since expanding service management outside IT?

52% Increase

43% Stayed the same

Decrease 5%
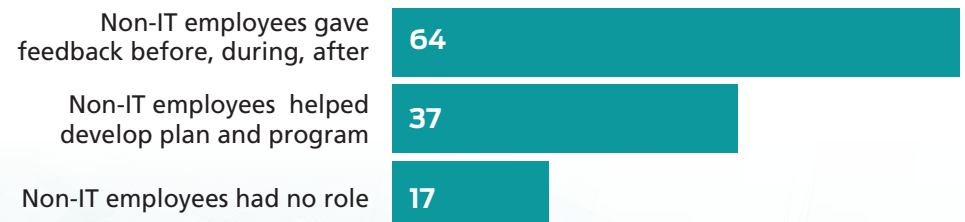
Percentage of organizations

Non-IT employees played or are playing an active role in the expansion of service management—giving feedback throughout the process (64%), but also helping develop and execute the plan (37%). In 45% of respondent organizations, however, non-IT employees are receiving no service management training prior to the expansion of service management to their business units. Adequate—though not necessarily exhaustive—service management training is essential; without it, employees with the best intentions may end up negatively affecting the success of the initiative overall.

Who has been the champion for the expansion of service management?

Category	Value
C-level IT (CIO/CTO)	52
Individual non-IT business unit leaders	42
C-level non-IT (CEO/COO/CFO)	26
Other	13

*Percentage of organizations
(select all that apply ≠ 100%)*

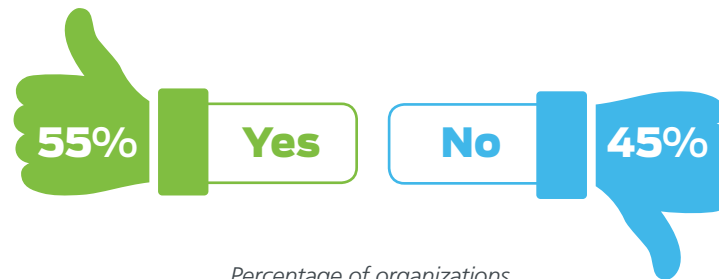### What role do non-IT employees play in shaping the expansion of service management?

Category	Value
Non-IT employees gave feedback before, during, after	64
Non-IT employees helped develop plan and program	37
Non-IT employees had no role	17

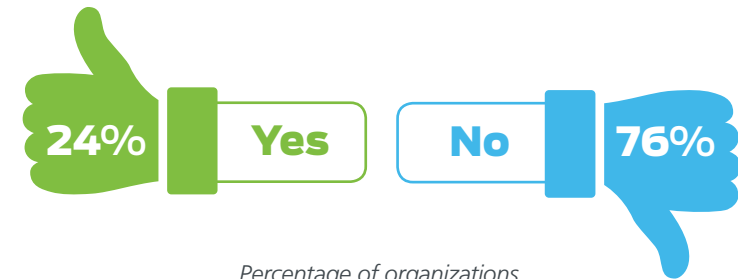*Percentage of organizations
(select all that apply ≠ 100%)*

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Did non-IT employees receive any service management training prior to the expansion of service management to their business areas?

55% Yes   No 45%

Percentage of organizations

Was a formal organizational change management program included in the expansion of service management?

24% Yes   No 76%

Percentage of organizations

Clear business drivers, buy-in from stakeholders and staff, and the right tools are essential, but without a formal organizational change management program, they may not be enough to *successfully* expand service management. As Roy Atkinson noted in a 2015 white paper, "Service management isn't something you buy; it's something you do. If it 'didn't work', that's because it didn't address the existing culture of the organization— that is, the ways in which people act and behave toward one another and toward the work they have to do." The important thing is not to do organizational change in a specific way; it's that you make the effort to *manage* organizational change.

Unfortunately, organizational change management doesn't yet appear to be a formal component of enterprise service management; just one-quarter of organizations that have expanded service management to non-IT areas leveraged a formal change management program. In most of those organizations, the program was led by assigned teams or internal change management teams (in one organization, by the Office of Continued Business Improvement); in one-third of organizations, the business either engaged a consultant or delegated the task to HR.
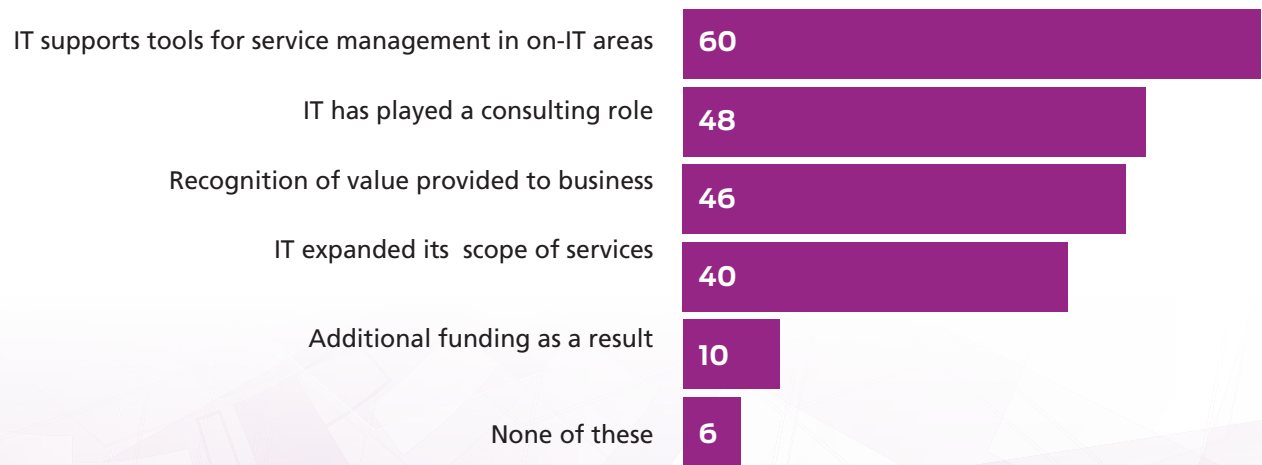
CONCLUSION

The potential benefits of expanding service management to the enterprise are as varied as they are occasionally intangible. The impact on IT, however, is more concrete: in 60% of organizations, IT retains responsibility for supporting service management solutions used in non-IT areas; in 48% of organizations, IT plays a consulting role; and in 40%, IT has expanded its scope of services to support. Notably, only 10% of organizations saw an increase in funding to go with all of those increased responsibilities.

Given the expanded role IT is playing as service management principles, practices, and tool use permeates the rest of the organization, the survey looked at how staffing levels and/or practices have changed. In respondent organizations:

- **39%** now have more FTEs, while 31% have fewer
- **28%** are providing additional training for IT support staff
- **27%** have added contracted staff
- **23%** have reallocated IT support staff to other services or levels of support

How has the expansion of service management impacted IT?

IT supports tools for service management in on-IT areas	60
IT has played a consulting role	48
Recognition of value provided to business	46
IT expanded its scope of services	40
Additional funding as a result	10
None of these	6

Percentage of organizations (select all that apply ≠ 100%)

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Perhaps most importantly, 26% of organizations say they are hiring for new skill sets. As service management becomes a way of doing things across the entire organization, skills such as those predicted in "The Technical Support Center of the Future"—notably, "greater collaboration with staff inside and outside the support center"—have become, and will continue to be, more important.

As we've mentioned, employee satisfaction is positively impacted by the successful expansion of service management. In addition, productivity increases. Nearly two-thirds of respondent organizations (64%) measure productivity, and in three-quarters of those organizations, productivity has increased since expanding service management outside IT. Taken together, the improvements in ESAT and productivity are highly likely to have a positive effect on the business as a whole.

As noted in 2014, enterprise service management is a turning point in the evolution of technical support and service management. While progress has been made, there is still much work to be done, particularly in the area of organizational change management, to ensure that service management principles and solutions settle and thrive outside of IT.

How has productivity changed since expanding service management outside IT?
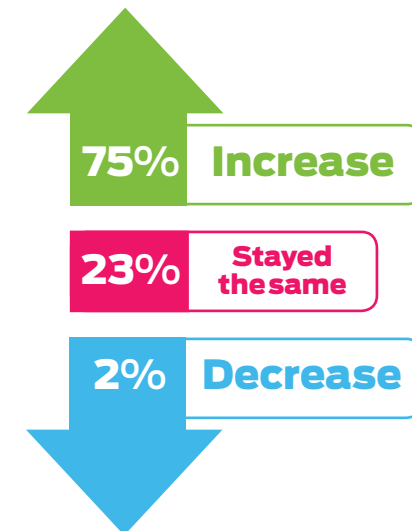
75% Increase

23% Stayed the same

2% Decrease

Percentage of organizations
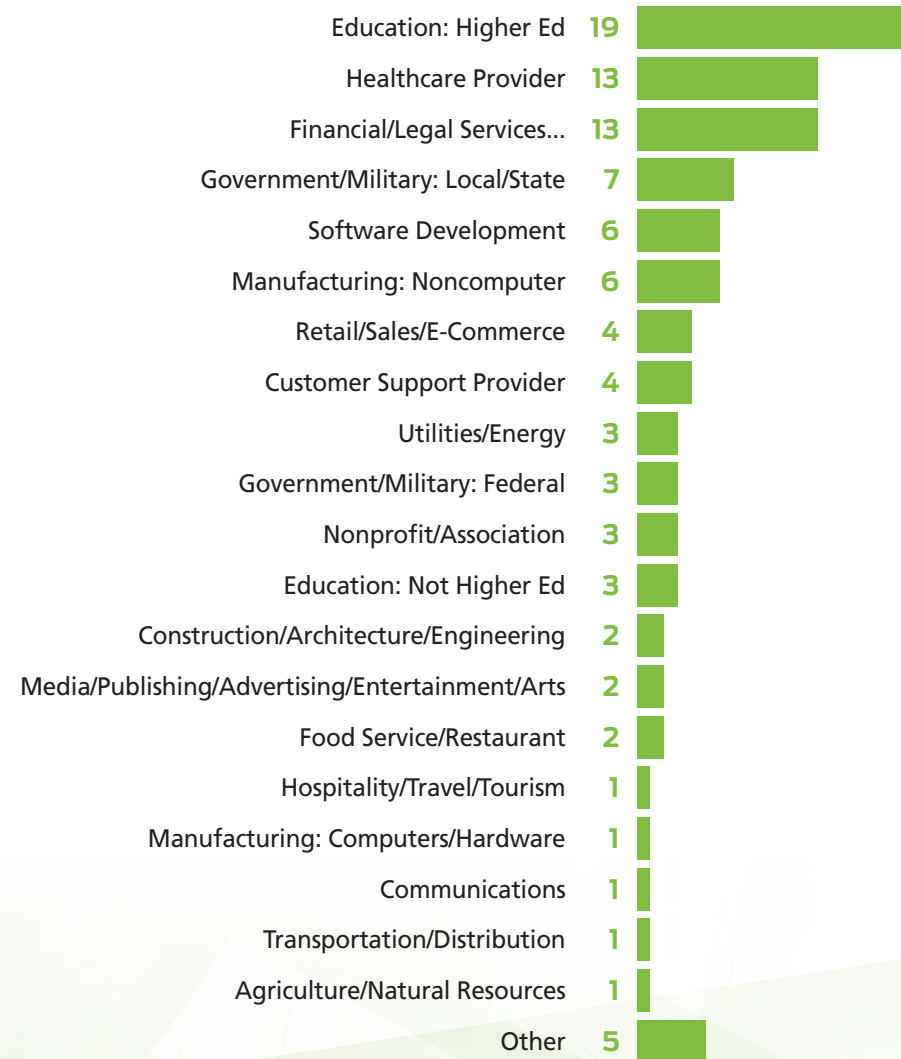
◀ **16** ▶

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ABOUT THE STUDY

The 363 respondents to this survey represent a range of industries, with the largest representative group being higher education (19%), followed by healthcare (13%), financial services (13%), and government/military (10%). The study participants occupy roles at all levels within the support organization, including executive/senior management (22%), specialist or mid-level management (55%), and supervisors (12%).

The majority of respondents are practitioners (86%); most provide internal support (63%), followed by blended (29%) and external (8%). Eighty-three percent are affiliated with the service desk/support center; 63% with service management; 49% with desktop support/field services; and 15% with development.

With regard to the size of their organizations, almost half of the respondents (48%) represent contact centers with fewer than 500 full-time employees (FTEs), while the second largest population of responses came from contact centers with 1,000–4,999 FTEs.

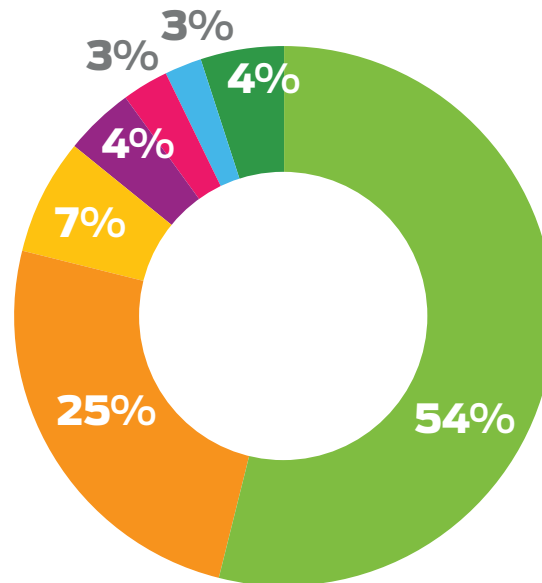### What is your organization's primary industry?

Industry	%
Education: Higher Ed	19
Healthcare Provider	13
Financial/Legal Services...	13
Government/Military: Local/State	7
Software Development	6
Manufacturing: Noncomputer	6
Retail/Sales/E-Commerce	4
Customer Support Provider	4
Utilities/Energy	3
Government/Military: Federal	3
Nonprofit/Association	3
Education: Not Higher Ed	3
Construction/Architecture/Engineering	2
Media/Publishing/Advertising/Entertainment/Arts	2
Food Service/Restaurant	2
Hospitality/Travel/Tourism	1
Manufacturing: Computers/Hardware	1
Communications	1
Transportation/Distribution	1
Agriculture/Natural Resources	1
Other	5

Percentage of organizations

Which of the following best describes your role?

- 54%
- 25%
- 7%
- 4%
- 3%
- 3%
- 4%

Legend:
- Practitioner: Internal service/support
- Practitioner: Blended service/support
- Practitioner: External service/support
- Consultant
- Outsourcer or managed service provider
- Vendor/solution provider
- Unaffiliated/other

Percentage of organizations

How many employees work in your organization (overall, not just IT)?

- 5%
- 10%
- 9%
- 28%
- 15%
- 12%
- 10%
- 11%
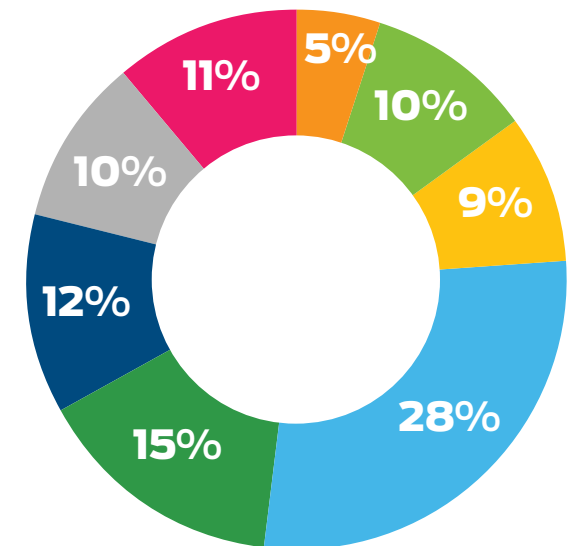
Legend:
- Fewer than 100
- 100-499
- 500-999
- 1,000-4,999
- 5,000-9,999
- 10,000-19,999
- 20,000-49,999
- More than 50,000

Percentage of organizations

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HDI is organized by UBM, which in June 2018 combined with Informa PLC to become a leading B2B services group and the largest B2B events organizer in the world. To learn more and for the latest news and information, visit www.ubm.com and www.informa.com.

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