Trends Shaping Service Management

How ITSM is evolving to meet the needs of employees, customers, and businesses in a world of rapid change.

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On Our Radar

On every front, the world is changing fast. Technologically, environmentally, culturally. Sudden shifts are the norm. As companies transform to become digital enterprises, how must ITSM evolve?

Some trends—like AI, ESM, and employee experiences—have staying power. Others are newcomers. This year, the employee experience reigns. Users set the bar high for AI. Services become productized—and go greener. Clouds are governed by ITSM. And ESM continues to mature with value creation at the core.

Learn about the top six trends here.

01 Employee Experience Prevails

As employees seek greater flexibility and work-life balance, the employee experience (EX) trend is not letting up. "Sixty percent of technology and business leaders indicate that improving EX is a top IT priority over the next 12 months," according to Forrester.[1]

Employees are pushing companies to modernize the IT service experience. Outside of work, services are easy, accessible, and empowering. So why can't services at work be the same?

To that end, companies are stepping up to consumer-like ITSM. Now employees can open requests from the convenience of their phones. Converse with bots and agents using workplace communication tools like Microsoft Teams or Slack. And resolve requests—such as VPN access, password reset, and equipment purchase—through self-service automation.

The relationship between ITSM and employee experiences has often been a negative one, so the EX KPI is important. Companies are exploring new ways to measure EX beyond surveys. For example, ticket and chat sentiments can be analyzed using AI, along with ratings and reviews for service offerings. Service assessments are already happening organically in the non-IT world—think shopping and review sites.

Not all services need to be self-service. According to Forrester's *The State of the Service Desk, 2022* report, most employees prefer self-service for resetting passwords (62%)—but they would rather speak to a person for fixing a broken device (66%) or reporting an outage (58%).[2]

Companies will continue to invest in multiple channels of support. The key is finding the right balance across self-service, bot-enabled, and human-assisted support.

1. Andrew Hewitt and Cheryl McKinnon, "Digital Workplace Trends to Watch Out For In 2023," Forrester Blogs, December 9, 2022.
2. Will McKeon-White et al., "The State Of The Service Desk, 2022," Forrester, May 9, 2022.

How to Elevate Employee Experiences with ITSM

- Reach employees in their own workspaces with personal, accessible communication tools.

- Empower employees with AI, knowledge articles, and self-service automation.

- Find the right balance of self-service, bot-enabled, and human-assisted support.

- Measure the employee experience with new-generation KPIs.

02 Users Expect More from AI
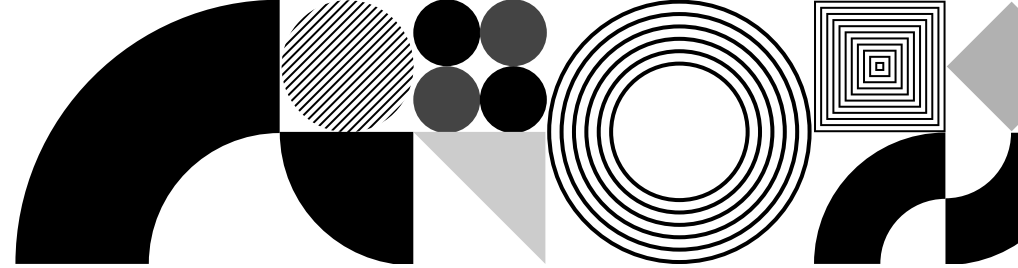
AI is now mainstream for ITSM, but is it living up to expectations?

For chatbots (aka virtual agents)—the face of AI—the answer is no.

There's more to AI than chatbots, however. Behind the scenes, AI helps speed up services, find solutions, and connect people to each other. AI can create knowledge articles, translate tickets on the fly (to the default language of the agent), categorize and assign tickets to the right experts, correlate huge numbers of similar incidents for better problem management, and find predictive patterns to thwart problems before they occur.

But users see and interact with chatbots. And right now, chatbots can respond only to a handful of questions, generally provide invalid responses, and can't really solve problems. A chatbot response usually dead-ends with an unhelpful "here are a few suggestions I found."

Why are ITSM chatbots stalling?

The truth is that chatbots need manual learning, but companies can rarely apply the effort. Reaching a high level of intelligence requires a lot of data (training content).

ChatGPT, a language model trained by OpenAI, has opened the world's eyes onto the possibilities of conversational chatbots and natural language processing. Meeting user expectations will require powerful unstructured machine learning, but also an investment in data collection (requests, resolution paths, solutions) and the creation of knowledge articles, catalog items, and automated workflows that chatbots can suggest or run to address common requests.

A Forbes article offers a succinct summary of what it takes to train a chatbot: "Maybe they can answer the first few generic questions, but they are not your real agents who have exposure and experience handling your customer issues. You need to train these chatbots with a significant amount of data based on what your agents deal with every day in the contact center." [3]

3.   Vasudevan Swaminathan, "What It Takes To Train A Conversational Chatbot," Forbes, October 19, 2022.

Chatbots and User Expectations

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03 Services Become Productized

Classic ITSM was all about consumption of services. Fast-forward to ITSM today—at the center of which lies a product delivered as a service. In the classic service-centric model, when something goes wrong you quickly react and restore the service. In a product-centric model, when something goes wrong you shift left to improve the product.

Products—not services—are transcending everything. Make a request through an app, pay through a digital wallet, and receive your product digitally or at your doorstep.

A product-centric model facilitates the lifecycle of a service—from its conception to maintenance and eventual retirement. The end goal is to make the product better and meet user needs.

One thing facilitating the productization of services is DevOps. These days, DevOps and ITSM can't be far apart. Together, they bring the right balance of go-to-market velocity and product reliability.

"When you are in a fast-changing, volatile world, you need responsive development and product creation," said Charlie Betz, principal analyst at Forrester. "DevOps gives you the opportunity to identify opportunities and rapidly test them against the reality of the marketplace and consumer desire."[4]

In addition to being product centric, the future of ITSM is looking decentralized. Business functions—such as HR, facilities, and FinOps—will own their products and use ITSM as a service to deliver them. Here, the role of IT will be delivering an ITSM platform, not a product.

4. Charlie Betz (Forrester), "Take a Product-Centric Approach to Success," Micro Focus Universe Track Keynote IT Operations Management, March 2022.

04 Services Go Greener

What's the global footprint of a product delivered as a service? Are digital products greener than traditional products? For example, what's the global footprint of a digital book versus a printed book? The answers to these questions are starting to take shape.

With product centricity at the core of service delivery, companies are launching initiatives to calculate the global footprint of their value chains. Two ITSM practices—asset and configuration management—are helping companies achieve these goals.

Companies are leaning into IT asset management (ITAM) to manage the lifecycle of their valuable assets in a sustainable way—from purchase to maintenance and eventual obsolescence.

Configuration management will bring value by aggregating carbon data at the service level. With configuration management systems, you can begin to identify all components of a service and track relevant component information—including cost, carbon footprint data, and the importance of the service component (for example, if the component is critical or redundant). Supported by AI/ML algorithms, ITSM solutions will start providing "what if" analyses and recommendations for optimizing services and service components.

"By 2025, more than 60% of organizations will require datacenter providers to disclose to them their energy usage, use of renewable energy sources, and recyclable IT equipment."

By 2026, circularity will become a key component of PLM (product lifecycle management), as "60% of organizations will require their IT equipment vendors and partners to provide end-to-end visibility of their sustainable processes."[5]

— IDC FutureScape

5.   Bjoern Stengel et al., "IDC FutureScape: Worldwide Sustainability/ESG 2023 Predictions," IDC, October, 2022.

05 ITSM Governs Clouds

A tectonic shift to the cloud is happening. Cost savings is a major driver. So is the need to meet user expectations for services that are fast and always accessible.

Until recently, companies focused on moving to the public cloud and getting value out of it as quickly as possible. Teams purchased and provisioned public clouds with little to no governance from IT. Things have settled now. Companies are reining in risks associated with shadow IT and exploring cloud management as part of their ITSM strategy. In this new model, clouds are governed by ITSM best practices for request, fulfillment, incident, and change management.

Clouds can't be governed if they can't be discovered. But discovery in the cloud is challenging—cloud services are independent, tracing topology is more difficult, and managing change is riskier. That's why discovery tools that understand the full scope of service impacts, reduce service disruptions, and improve change success in the cloud are essential for ITSM success.

Discovery of cloud infrastructure must be as effective as it is for on-prem infrastructure. The goal is getting the same level of data and keeping that data private.

06 ESM Supports Value Creation

Enterprise service management (ESM) hasn't reached maturity yet.

ESM is a subset of ITSM, born from the idea that a service is a service whether it's for IT or not. According to ITSM.tools, ESM is an "opportunity for business functions to benefit from ITSM principles and capabilities." Among these benefits are self-service efficiency, increased governance, standardization, improved communication (choice of access and communication channels), and lower operational costs (optimized processes and elimination of manual work).[6]

In a recent ITSM.tools poll, readers were asked to choose their most important ITSM topics. ESM ranked #3, value demonstration #1, and people #2. In the prior year, ESM ranked #2, people #4, and value #6.[7] These poll results suggest that companies will start prioritizing ESM initiatives that deliver value and improve employee experiences.

According to Research In Action (RIA), ESM is a transitional development stage on the journey towards a digital enterprise that delivers connected service experiences for all—employees, customers, and clients. RIA says that IT and business teams should strive to connect service experiences to create a base of happy, engaged customers both inside and outside the enterprise.[8]

6. Stephen Mann, "14 Benefits of Enterprise Service Management (ESM)," ITSM,tools, February 1, 2023.
7. Sophie Danby, "The 5 Hottest ITSM Trends (and Topics) for 2023," ITSM,tools, January 26, 2023.
8. Eveline Oehrlich, "For ESM 2023: A Connected Service Experience Matters Now More Than Ever," Research In Action, November 1, 2022.

Companies will start prioritizing ESM initiatives that deliver value and improve employee experiences.

Top 3 ITSM Topics[7]

#1 Value demonstration
#2 People (attitude, behavior, culture)
#3 ESM

— ITSM.tools

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