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Advanced ITSM

What it is and why you need it

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IT service management (ITSM) is an IT management discipline that's more than three decades old. But age doesn't matter here. What really matters is how well your organization employs ITSM to meet current and future business needs—and whether older ITSM capabilities are still fit for purpose.

To meet your evolving business needs, your ITSM solution should:

- Employ the 2020 ITIL 4 body of best practice guidance for service management.
- Reflect the global pandemic's impact on corporate digital transformation strategies and new ways of working.
- Leverage technological advancements in both IT infrastructures and ITSM tools.

In early 2022, readers of the ITSM.tools website said **changed ITSM capabilities** was the one thing they wanted most. This answer beat 2021's hottest picks, which included digital transformation, artificial intelligence (AI), automation, people, enterprise service management, and ITIL 4. The good news is that the next generation of ITSM encompasses all those 2021 options and more.

We call the next generation of ITSM advanced ITSM. To help you understand what advanced ITSM is and why it's important, this paper looks at how changing business requirements define advanced ITSM, why it's necessary to create a foundation for advanced ITSM, and why the next generation of ITSM requires fit-for-purpose technology.

Why ITSM must change

While the phrase “the only constant is change” has long been used in an ITSM context, few people could have predicted how much the global pandemic would change the world, including business operations and ITSM. But it’s not just the changing corporate landscape that necessitates ITSM change. It’s the changing technology landscape too.

The combined effect of these dramatic changes means that your established ITSM capabilities may no longer meet today’s business requirements—and certainly not tomorrow’s. That’s why you need advanced ITSM. Let’s start with what advanced ITSM is.

What is advanced ITSM?

Over the years, advanced ITSM has been defined in various ways. For example, ITIL best practices have traditionally been adopted to gain what are known as reactive ITSM capabilities—often related to IT support and the IT service desk. Proactive ITSM capabilities, such as continual (service) improvement; (proactive) problem management, capacity management, and IT financial management—along with the IT strategy-related elements of ITIL—have achieved lower traction. As a result, they have been seen as advanced ITSM—something to aspire to as ITSM maturity grows.

Another advanced ITSM definition comes from the Gartner Research IT Service Management Magic Quadrant. It appears in the Gartner Glossary definition of ITSM tools, which states that: ". . . advanced ITSM tools that have a full range of ITSM capabilities, and provide broad ITOM functionality natively or integrate with advanced third-party ITOM solutions."

Gartner's definition covers a broader range of ITSM capabilities and includes IT operations management (ITOM) solution capabilities. With such sweeping capabilities, an IT organization can effectively manage its corporate IT infrastructure and services with automation, analytics, orchestration, and AI to address service issues.

ITSM tools that use AI fall under the advanced ITSM banner. AI-based capabilities allow ITSM teams to amplify their service management benefits by:

- Improving outcomes and employee experiences (including via 24×7 support operations).
- Increasing the speed of task, activity, and workflow execution.
- Reducing operational costs.
- Improving performance insights and related decisions.
- Reducing human errors and their impacts.

But these two definitions focus on what ITSM does, rather than on what it achieves. Here's a more meaningful definition of advanced ITSM:

"Advanced ITSM builds on traditional ITSM capabilities to deliver the IT operations and business outcomes your organization demands. It leverages new ITSM thinking and innovations across people, processes, and technology to better align corporate ITSM capabilities with both business and employee needs." [1]

To avoid remaining aspirational rather than actionable, we would also highlight specific areas of required change within an organization—especially areas where improvements can be measured.

[1] https://www.gartner.com/en/information-technology/glossary/itssm-tools-it-service-support-management-tools

Why do you need advanced ITSM?

In short, you need advanced ITSM largely because your changing corporate and technology landscapes are converging. A growing corporate reliance on technology and new technology use cases (including those introduced by digital transformation strategies) makesit hard to separate our changing corporate and technology landscapes.

This convergence calls for a more inclusive ITSM approach that holistically addresses business issues and opportunities rather than applying partial solutions to just one area—for example, just to people or processes or technology.

A good example of the need for a holistic approach lies in the IT service delivery and support area. In the wake of 2020, employees now expect to work from anywhere (WFA), collaborate across distributed teams, and enjoy quick, easy, modern experiences. Satisfying these expectations requires more than simple tweaking or patching of current ITSM capabilities. Instead, it requires a complete change in approach—from service-centric to people-centric. This switch in approaches is one element of advanced ITSM.

Another example of the need for a holistic approach stems from growing technology complexity, which creates both ITSM opportunities and ITSM challenges.

New technologies—for example, AI and cloud-based—deliver greater scalability in both operational and service-delivery terms, improved employee productivity, faster ITSM innovation, better-informed decision-making, and cost reductions.

But new technologies also require new management skills, tools, and technologies along with new ITSM processes and possibly more people. On top of that, there are new assets, costs, and risks to manage to ensure business as usual.

These two examples align with corporate strategies for protecting and growing market share through innovation. By holistically changing your ITSM capabilities, you can meet the challenges and opportunities created by new technologies and new business requirements—such as those that change the way you design, deliver, manage, and support IT services.

Your organization must innovate to compete and compete to survive. While your traditional ITSM capabilities may still work, that doesn't mean they can fully support today's business operations and desired outcomes. Focusing only on improving specific ITSM trends or areas—for example, by introducing AI-enabled capabilities—won't be enough either. Unless you move to advanced ITSM, your IT service delivery and support capabilities will likely be misaligned with the corporate view of what matters most, meaning that:

- ITSM strategies are misfocused and business value creation is suboptimal.
- Investments are made in the wrong places, and innovation or cost-reduction opportunities are missed.
- Subpar experiences adversely affect employee productivity, leading to retention and well-being issues.

Consequently, your organization risks jeopardizing its competitive advantage if the IT department is unable to advance its ITSM capabilities in step with industry trends and business needs.

How is advanced ITSM more than technology?

Like any new technology or way of working, advanced ITSM must align with business and employee expectations of IT service delivery and support. This alignment can range from a corporate mandate for greater agility and resilience to employee requirements for anytime, anywhere collaboration capabilities.

The latter point might be tagged as an employee or end-user experience initiative, but it goes beyond ensuring that IT service delivery and support meet end-user expectations. First, the need for greater productivity (and better experiences) applies to both end users and IT personnel, such as service desk agents. Second, savvy organizations understand that improved productivity leads to better business operations and outcomes.

While the phrase happy employees make happy customers may be a cliché, the link between the employee experience and the customer experience is critical. When IDC researched the impact employee experience has on customer experience, "85% of respondents . . . agree that an improved employee experience and higher employee engagement translate to a better customer experience, higher customer satisfaction, and higher revenues for their organization."[2]

In early 2022, the AXELOS ITSM Benchmarking Report 2022[3] found that 67% of organizations already understand the need to deliver a better employee experience, with another 18% expected to in 2022. Only 9% of respondents thought their organizations would never see the need to improve the employee experience.

To improve the employee experience, your organization must address issues and opportunities across people, processes, and technology—because addressing just one or two of these areas will lead to suboptimal improvements at best. You can also expect low-level results when the focus is on new technologies rather than on people enablement.

The changes across people, processes, and technology are also applicable to creating the right foundation for advanced ITSM.

[2] https://blogs.idc.com/2021/09/17/employee-experience-and-customer-experience-what-is-the-connection/
[3] https://my.axelos.com/resource-hub/report/the-axelos-itsm-benchmarking-report-2022

Building the right foundation for advanced ITSM

Your organization needs a specific strategic focus to achieve optimal advanced ITSM success. To sharpen your focus, you must understand how current and new technologies meet business requirements and recognize how operational and outcome changes are linked. For example, knowing whether the addition of IT support chatbots will do more harm than good for employee productivity and experience is a critical success factor.

Your strategic focus should include a solid understanding of your current level of operational ITSM maturity and employed technologies. It is also important to know the organizational maturity context in which advanced ITSM is employed—in particular, the corporate ITSM reason for being and the capability to change.

Start with fit for purpose

Adding new technology to an ITSM operating model that is ill-fitting or no longer relevant will never deliver the desired advanced ITSM operations and outcomes. A well-known IT example illustrates the problem: Using automation to directly replace manual operations in a badly designed process doesn't change the poor outcome. It only gets to the poor outcome faster.

To be successful, any advanced ITSM initiative should start with an assessment of your ITSM capabilities to determine whether or not they can meet current and future business requirements. In other words, are they fit for purpose?

For example, while your IT service desk's incident management practices might be achieving the agreed upon service-level targets, those targets might no longer be in line with business needs. So what does your organization need from its incident management capabilities and other key ITSM capabilities? This question relates to all three of people, processes, and technology.

Your assessment should be more than simply running through an ITSM process-maturity checklist to see how effective your incident management is. Instead, you will want to consider ITSM's reason for being, including how ITSM strategies can help the IT organization better deliver against corporate goals.

Two advanced ITSM strategy drivers are:

1. The need to focus on employee experience.

2. The need to extend ITSM capabilities beyond IT for Enterprise Service Management (ESM) and Digital Transformation (DX).

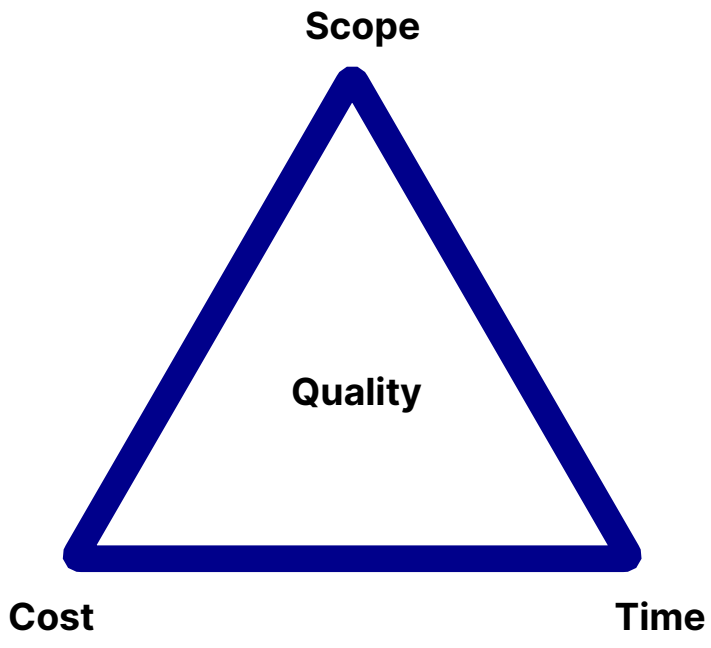
You can't move forward until you know whether or not your current ITSM capabilities are aligned with these and other strategy drivers.

Employee experience—a key driver for ITSM

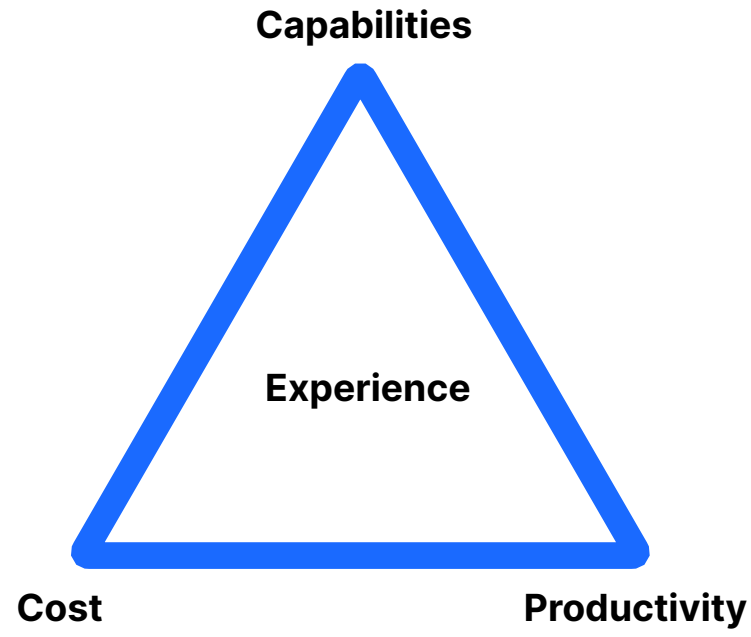
Employee experience has risen to prominence as a way for IT organizations to understand how their service and support capabilities can improve employee productivity, business operations, and business outcomes. One of Forrester Research's 2022 predictions was that

"2022 Will Go Down As The Year Executives Were Forced To Care About Employee Experience."

We can use the familiar project management triangle to visually represent experience management. The project management triangle has quality at its center, which is shaped or constrained by three factors—scope, time, and cost.



When viewed through the employee experience lens, the experience management triangle looks like this:



Now it highlights the challenges that ITSM teams face when trying to optimize experience across three factors—capabilities, productivity, and cost.

[4] https://www.forrester.com/blogs/predictions-2022-employee-experience-future-of-work/

Thinking beyond IT

Extending service management beyond IT, both strategically and operationally, is nothing new. But the use of ITSM capabilities by other business functions has grown with the rapid advancement of corporate digital transformation strategies caused by the global pandemic. This growth has been and continues to be about addressing the rising demands of employees trying to work in new ways.

These rising demands offer up two opportunities for organizations to move beyond traditional ITSM or ESM and get closer to advanced ITSM:

1. Change the ITSM focus. Build internal service and support capabilities around employees rather than around discrete and siloed internal service provider functions (an approach that fosters inconsistency, suboptimal capabilities, and employee confusion).
2. Use newer AI capabilities. Improve traditionally shared ITSM technology—such as incident management, self-service, and knowledge management—by offering capabilities that provide greater insight into performance and improvement.

Taking advantage of these opportunities involves changes across people, processes, and technology. We'll talk more about those changes in the next sections.

Preparing for advanced ITSM

No matter how we define it, a successful implementation of advanced ITSM requires enabling the right technologies to:

- Achieve greater ITSM maturity—for example, by formalizing, improving, or introducing IT asset management (ITAM) capabilities.
- Operate in new ways—for example, using swarming for incident management.
- Refocus the measurement of ITSM success from what's done to what's achieved.
- Manage increased IT infrastructure complexity.
- Share proven ITSM practices—including newer AI-enabled capabilities—with other business functions.
- Better meet business and employee expectations for technology and services.

It's helpful to focus technology exploitation—to enable advanced ITSM—across three key areas:

1. Employee-centric ITSM.
2. AI-driven ITSM capabilities.
3. Greater performance visibility and quicker remediation.

Each of these areas is covered in the following three sections.

Employee-centric ITSM

With advanced ITSM, you don't build service and support around disparate internal service providers. Instead, you build service and support capabilities—including work from anywhere and collaboration—around employees. Even so, an employee-centric focus supports service providers as well as service receivers.

Advanced ITSM supports service receivers by:

- Enabling mobility and support. Employees are empowered to access IT services—via company devices, applications, and cloud services—from anywhere, at any time. Since support is frequently needed outside of service desk operating hours, self-help services are provided.

- Enabling collaboration. While this deliverable may be an outcome of digital transformation and the loss of face-to-face contact, collaborative technologies still need to optimize employee productivity with digital workspaces and digital workflow capabilities.

Advanced ITSM supports service providers too, including IT and other business function personnel. Like everyone else, service providers need to be productive wherever they work, whether they are serving office-based or remote employees. From the IT perspective, this might mean a remote IT employee is helping a remote business colleague using traditional IT management or ITSM tool capabilities such as:

- Omnichannel access and communication capabilities that offer choice and better employee experiences.

- Automated support and service fulfillment capabilities that offer superior employee experiences.

- Knowledge management capabilities that help service and support staff and facilitate self-service.

- Management capabilities for remote devices, applications, and services.

Whether employees are using traditional ITSM and business-function tool capabilities or newer AI-enabled capabilities, the technology needs to be employee-centric for both the service receiver and service provider. It also needs to meet employee expectations and deliver experience parity—meaning that workplace services are driven by, and comparable with, consumer-world service and support experiences.

AI-driven ITSM capabilities

While advanced ITSM might be driven by the need for elevated employee experiences, and not the available technology, it's technology that enables organizations to deliver better ITSM operations and outcomes.

Right now, the key to better enablement is AI, including machine learning and natural language understanding. The following AI-enabled capabilities are already available in mature ITSM solutions. They help to improve the employee experience while delivering speed and cost efficiencies for IT and other business functions:

- Employee-facing chatbots or service and support bots (available with collaboration tools such as Slack and Microsoft Teams).
- Virtual assistants for service and support staff.
- Intelligent search capabilities.
- Intelligent ticket routing that automatically categorizes, prioritizes, routes, and potentially fulfills employee requests.
- Predictive analytics.

The AXELOS ITSM Benchmarking Report 2022 found that such capabilities were already expected to facilitate advanced ITSM in early 2022. Seventy-one percent of survey respondents believed that AI or intelligent automation would improve employee and customer satisfaction, and only 22% thought they would not.[5]

The use of AI-enabled capabilities and AI's underlying technologies is critical to delivering the advanced ITSM capabilities your organization needs to meet growing business and employee demands. By improving operations and outcomes, AI-enabled capabilities can help negate the adverse impact of people and skills shortages.

[5] https://my.axelos.com/resource-hub/report/the-axelos-itsm-benchmarking-report-2022

Greater performance visibility and quicker remediation

Given the complexity of IT infrastructure and the corporate reliance on service availability, IT teams must gain more insight into device and service states and performance. Gartner Research addressed this need by including a broad range of ITSM capabilities, along with IT operations management (ITOM) solutions, in its definition of advanced ITSM.

Consequently, to accommodate employee-centric ITSM and AI opportunities, your pursuit of advanced ITSM must bring two ITOM variants into play:

1 AIOps

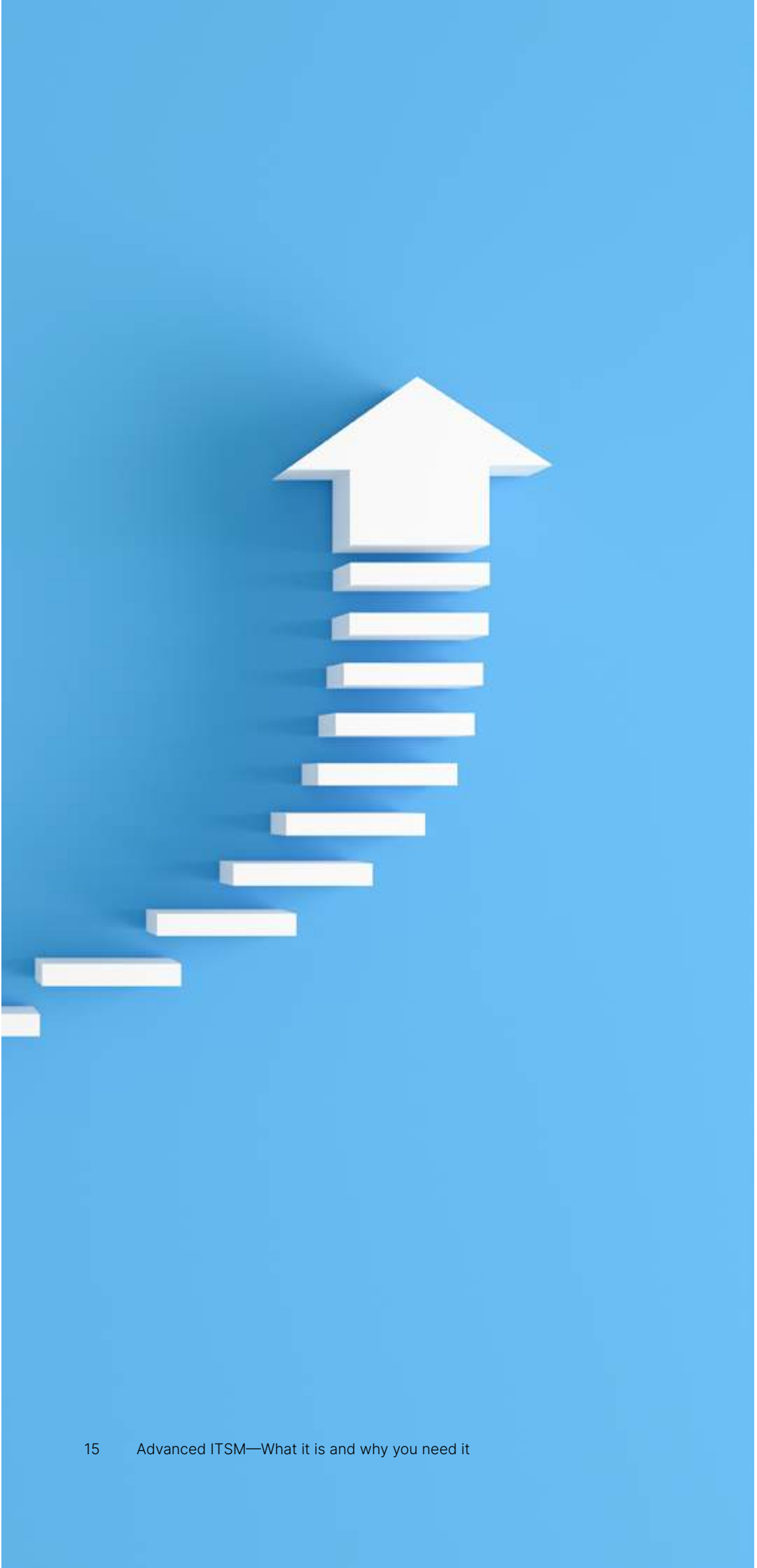
2 Digital Employee Experience (DEX)

The Gartner Glossary defines the first of these as "AIOps combines big data and machine learning to automate IT operations processes, including event correlation, anomaly detection and causality determination."[6] Common AIOps solution capabilities include:

- Automated alert correlation, prioritization, and escalation, with AIOps solutions learning from historical incident and event data.
- Intelligent or predictive alerting, with historical data used to predict future issues.
- Auto-remediation, where the AIOps solution knows the necessary fix and applies it automatically.
- Root-cause analysis capabilities that use machine learning to leverage historical event patterns and service topologies to identify root causes of events, incidents, and problems.
- Capacity and cost optimization, where AIOps solutions predict how business demand for IT services will change over time.
- Performance management insights and analytics.

DEX solutions use tools, such as predictive analytics, and human-based sentiment analysis to assess IT infrastructure and service performance. In this way, they help IT organizations identify and address productivity issues from an employee experience perspective.

[6] https://www.gartner.com/en/information-technology/glossary/aiops-artificial-intelligence-operations



Advance your enterprise with advanced ITSM

The game of business is constantly changing. To remain a relevant player, your organization needs advanced ITSM.

The changes required will depend on how fit for purpose your current ITSM is and what your strategic drivers are. To make a real difference, your changes must cover people, processes, and technology—one or two of the three won't be enough. And be prepared to add new ITSM tools, because it's likely that your current ones won't get you where you want to go.

Change is never easy. But the benefits—satisfying employee expectations, supporting new ways of working, strengthening performance management, and meeting corporate demands for digital innovation—are worth it.

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