This is the second year of this survey and its encouraging to see that the results, views and outcomes for Service Management are generally holding up.

89% of respondents see ITSM as a value add to their business – mostly in support of customer experience (35%) and service quality (48%). Supporting the management of risk (5%) and innovation (6%) are both emerging as objectives from ITSM although still in generally at a low level.

The big challenge remains in how to quantify this value in business terms – there is still the direct correlation between the successful presentation of business-focussed metrics and outcomes, and the extent to which the IT organisation is perceived to be delivering value. Improvement in service bundle definition, Business Relationship Management (BRM), Customer Experience Mapping, etc. will help here, but the big challenge is simply how to present and show how IT supports its customers – in a way the customer understands.

ITSM beyond IT seems to be stalling with no major progress and some negative responses on success. ITIL is still by far the predominant framework in use, although this has slipped down slightly (-4%). DevOps has increased by 3%. ITSM in general is seen to be most effective in large organisations, although interestingly the area most keen to invest more in ITSM is the SME sector. Other areas such as Digital Transformation and Cyber Security continue to be important to ITSM and vice versa. There is a continued and increased focus on the definition of the ‘ITSM professional’ and the broad range of skills and competencies needed to maintain and develop in ITSM roles.

Most comforting overall, there is a slight increase in the planned investment in ITSM in the coming year – this is reducing slightly in very large organisations but in general is holding up and a very positive picture for the industry. This is particularly impressive at this time where there is considerable market uncertainty.
Summary (continued) In summary, our industry continues to flourish and maintain its financial investment, with improvement in how value is defined and appreciated. ITIL is reducing slightly in its grip on the training market but only slightly – more new frameworks are emerging that offer alternatives, however the brand is still dominant. This will be a useful point of debate for next year’s survey as there is now increased competition in this market plus a new version of ITIL planned for 2018.

Barclay Rae, CEO, itSMF UK
Defining the value of investment in IT Service Management

89% agreed their organisation gained value from their investment in IT Service Management.

There is overall agreement from the IT leaders questioned in the survey that IT Service Management provided value to their organisation based on their level of investment. With just over 50% allocating in excess of 2% of their total budgets we wanted to look at how the value was defined.

How do respondents primarily define the value of their investment in IT Service Management

As in 2016, the majority looked through the lens of customer experience and the quality of service they are able to provide.

Marginally, and supported by some of the comments provided by the respondents, a number looked at how IT service management can support innovation and risk.

![Pie chart showing the distribution of value definitions. Customer Experience: 35%, Service Quality: 48%, Support innovation: 6%, Risk: 5%, Cost: 1%, Not defined: 5%]
In their own words: How respondents viewed the value of IT Service Management

Critical to allowing me to invest in innovation

Provides visibility to users, auditability and traceability, efficiency of request processing

Driving the importance of the service culture for the users but often balancing by focus on process and rules

It is the front door of the operation and, to a large extent, the custodian of the customer experience and determination of the customer perception.

It’s the cornerstone of our organisation, particularly in a business where digitalisation for both customer facing and back office processes have been our driver

Whilst ITSM provides a good structure and framework to deliver a tangible and qualitative service, within the perspective of the organisation at present, the true value needs to come from business and how effective and valued they feel ITSM provisions

Emerging capability and not clear if more processes have hindered quality of communications between teams

Helps us to manage risk to the business and minimise downtime to users and the business

ITSM is at the core of everything we do. We’ve worked hard on optimising both cost and performance in the recent past. The value it provides compared to our expenditure is very healthy

It is the foundation of our business - without it we offer a hope of delivering a consistency of quality service not an SLA

High levels of engagement exist to ensure there is alignment with business priority supporting customer experience and sales

Measuring value continues to be a challenge. Whilst we can use data collected to measure typical metrics, the metrics don’t always reflect sentiment or customer value in their context

Provide visibility into operations. Maintain SLA levels. Provide traceability on operations

It enables improvements in our service delivery and help identify potential problems/issues
Quantifying the benefits of ITSM

50% of respondents stated that their business doesn’t share the IT function’s view of the value of IT Service Management. With many saying that reporting the benefits of IT Service management is a challenge.

Only 49% of the businesses surveyed stating that they have the analytical tools necessary to quantify the value of IT Service Management. We wanted to see if having the analytical tools had an impact on that differing view.

Have you been able to quantify tangible business benefits achieved from ITSM?

Clearly being able to quantify the benefits of IT Service Management is an important aspect in being able to demonstrate the value of ITSM to the wider organisation.
Although valued and used extensively within the IT function, ITSMs use in other areas of the business is clearly more mixed. Of the organisations represented, only 29% had used ITSM in the broader business in any meaningful way - we also see that in many cases, without success. As a result, only 34% of respondents have plans to expand ITSM further into the business.

And which business functions, in addition to IT, has ITSM been applied.

How successful has ITSM use been outside of the IT functions?

Are there plans to expand use of IT Service Management?
How are organisations using IT Service Management

There is no surprise that organisations are predominately using ITSM for the servicing of customers, both internal and external. However, opportunities exist within organisations to improve processes by implementing ITSM into Supplier, Capacity and Configuration Management.

We also see that organisations who are at the beginning of the ITSM journey are focussing on Service Desk and Help Desk, Incident Management and Problem Management, while very few are implementing areas such as Capacity Management and Supplier Management.
Frameworks, standards and models used

ITIL maintains its dominance in IT Service Management with 85% primarily using the framework. A distant second, with 7%, are respondents using DevOps, although this does represent a near doubling from last year.

We see DevOps also being used by 32% of respondents, increasing marginally from 28% in 2016. An increase has also been seen in those using COBIT, from 16% to 23%.

In addition to the predominant framework above, what other frameworks, standards or models are used?

- None: 8%
- COBIT: 23%
- DevOps: 32%
- ISO/IEC 20000: 18%
- IT4IT: 2%
- SIAM: 3%
- BRM: 13%

Down from 89% in 2016
Frameworks, standards and models used

With ITIL being such a prolific framework we wanted to ask respondents how important and how well developed their use of ITIL was. By looking at the size of organisations we found that both the importance and the maturity to their ITIL framework increased in line with the size of the organisation.

How do you view the importance of the role of ITIL in your organisation?

By no. of employees

- **1-999**
  - Very Important: 5%
  - Important: 19%
  - Somewhat Important: 32%
  - Not Important: 16%

- **1,000-4,999**
  - Very Important: 12%
  - Important: 40%
  - Somewhat Important: 16%
  - Not Important: 5%

- **5,000-9,999**
  - Very Important: 17%
  - Important: 50%
  - Somewhat Important: 20%
  - Not Important: 3%

- **10,000+**
  - Very Important: 20%
  - Important: 80%
  - Somewhat Important: 20%
  - Not Important: 1%

How would you describe the maturity of your use of ITIL?

By no. of employees

- **1-999**
  - Optimised: 35%
  - Mature: 43%
  - Developing: 16%
  - Initial: 5%

- **1,000-4,999**
  - Optimised: 28%
  - Mature: 48%
  - Developing: 15%
  - Initial: 9%

- **5,000-9,999**
  - Optimised: 33%
  - Mature: 67%
  - Developing: 3%
  - Initial: 7%

- **10,000+**
  - Optimised: 20%
  - Mature: 60%
  - Developing: 20%
  - Initial: 10%
The breakdown of the IT Service Management Professional

Do you see ITSM as a valid career and profession?

With the high number of respondents holding IT Service Management itself in high regard, it's no surprise that they also view IT Service Management as a valid career and profession.

We also see how many of the challenges with ITSM are viewed within the business, with many stating the importance of interpersonal and relationship skills as the top ranked characteristic for an IT Service Management professional.

What characteristics are most important in an IT Service Management Professional and how do they rank?

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<td>General Business &amp; Management Skills</td>
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Do you see ITSM as being a relevant element in managing Cyber Security issues?

As in 2016, we again see the vast majority of respondents (81%) viewing IT Service Management as being an important element in managing Cyber Security. We see little variation between organisations from different industries and business sizes. However, those respondents operating globally or in the UK and Ireland have been the most adamant in their view.

Is your ITSM team involved in Cyber Security?

Overall the majority of ITSM teams are involved in their company’s management cyber security.

Even within those organisations that felt it was relevant, over 30% still involved their ITSM teams in cyber security.
IT Service Management supporting Digital Transformation

With a large proportion of companies embarking on digital transformation projects (83%) we wanted to ask respondents how prepared their ITSM teams were to support major transformation projects.

We also looked at how preparedness of ITSM teams impacted on the success of those projects.

What the survey showed was those with ill prepared teams 8% never succeed and another 8% succeed once in a while.

Is there a correlation between how prepared an ITSM team is and the prospect of successful transformation?
IT Service Management investment levels

Following on from the positive investment levels seen in last years survey’s, we can see a slight softening in the spending of those allocating a larger budget (5%-10%) reducing by 8.5%.

In terms of how our respondents expect their spending to change, we also see a very positive picture. With 28% looking at increasing their investments in to IT Service Management.

We also see the largest percentage of respondents looking to increase investment coming from companies with less than <1,000 employees.
IT Service Management going forward

97% of our respondents felt that IT Service Management is still relevant and with the majorities view being that ITSM is providing value and benefits to the business, we can see why.

We wanted to know what the future holds for IT Service Management.

What are their strategy priorities for ITSM?

- Retaining and driving operational focus and excellence. Improved continuity management and a productivity enabler
- Appropriate for business landscape, adaptable to specific company policies and customer driven improvements
- More efficient use of resources through better governance
- Evolving, with speed, to meet the ever-changing need-state/requirement of consumers of IT related services
- Automate some of the processes. Activity prioritisation. Traceability and accountability
- Centralised service management from inception of an idea through to end of life decommissioning
- Develop more self-service, which will release resources to focus on capacity management
- To grow and mature to the point where it becomes a natural part of what and how we do things
- To become invisible, it just happens
- Mobile, self-service and analytics
- Delivering business-defined services through technology
- Managed and documented IT services for service continuity. Predictive analysis for responsive IT service planning project
- Automation, self-service and growing value add with the business/CSI
Who took part

We invited CIOs, Heads of IT and those in a senior IT leadership role to participate as we wanted the survey to reflect the broad audience of followers and visitors to the CIO WaterCooler. Respondents were chosen at random, in

Organisations by no. of employees

Respondents by region of responsibility

The IT leaders who participated in this survey were asked to state the breadth of their operational responsibility. We have used this measure to segment the respondents throughout this report.
About the CIO WaterCooler

The CIO WaterCooler is born out of the need to find a ready community for those times in your career when you need to learn best practice, share experience, raise your profile and expand your network. The combination of refreshing content, discussion and networking will help you get to where you need to be to achieve success for project, strategy and career.

www.ciwwatercooler.co.uk

About the Survey

Over the last 3 months, the CIO WaterCooler invited CIOs and IT leaders, from a mixture of industries, size of companies and regions to share how they and their organisations were approaching IT Service Management, their drivers and the benefit that they hope to achieve.