

IMPROVING SERVICE MANAGEMENT AND BUSINESS OUTCOMES IN 2020

INDUSTRY TREND ANALYSIS 2020

Now At Work Forum survey reveals goals and business challenges for ITSM and Enterprise Service Management

At the October 2019 “Now at Work” event in London, a ServiceNow customer conference, Computacenter’s ServiceNow Centre of Excellence (previously TeamUltra), conducted their fifth annual survey of delegates to better understand service management operations, technology needs, and futures across:

- IT service management (ITSM) and enterprise service management
- Customer service management (CSM)
- Employee experience
- The adoption of new technologies to improve both work execution and employee experience.

137 delegates responded to the survey. This paper reports the findings and provides insight into what they mean, including:

Key IT service management challenges:

- 60% of respondents stated “availability of budget” to be a 2020 challenge – a significant increase on the 2018 survey and the most common obstacle for organisations.
- “Access to internal resources” saw a significant increase as a challenge for 2020 which is indicative of organisations failing to recruit and retain sufficient levels of IT staff and an opportunity for selective outsourcing.

Key 2020 initiatives:

- “Upgrade ITSM systems” is the top 2020 initiative despite a 9% decrease relative to 2018’s survey results.
- The introduction of artificial intelligence (AI)-enabled capabilities such as chatbots and intelligent automation is a key 2020 initiative for a third of organisations.

Enterprise service management adoption:

- The vast majority of organisations are using ITSM capabilities outside of IT, i.e. for enterprise service management use cases. Based on previous surveys this is now a given.
- IT operations management (ITOM) is once again the most popular use case for ITSM capabilities beyond traditional IT service delivery and support needs.

Customer service management trends:

- ServiceNow is the most commonly used system for CSM, ahead of Microsoft and Salesforce.
- Improving both customer service and customer experience are top 2020 objectives. However, both have dropped versus the 2018 survey results, with customer experience showing a definite downward trend.
- Increasing efficiency and reducing costs have both rebounded as key CSM objectives after dropping in the 2018 survey. “More automation” and “improving the agent experience” both continue to rise as important CSM objectives.

The rise of employee experience:

- Over two-thirds of organisations have already bought into the need for better employee experience, with this expected to increase to 84% by 2021.
- Nearly two-thirds of organisations have a successful self-service portal, with 28% using it beyond IT. However, a quarter of organisations are still struggling with low adoption of their portal.

The current state of artificial intelligence for ITSM:

- 12% of organisations are already using bots in IT management areas, 30% are experimenting with bots, and 27% plan to start with bots during 2020.
- Under a fifth of organisations have no plans to use bots in 2020



Upgrade ITSM systems is the top 2020 initiative





ITSM and Enterprise Service Management

As with the previous London event survey, the continued financial uncertainty of a post-Brexit Britain has loomed large over the 2019 survey responses (please see Figure 1). 60% of respondents report “availability of budget” as a 2020 challenge which is a significant increase on 2018 making it the most common obstacle for organisations.

“Access to internal resources” also saw a significant increase (as a challenge) which, in the context of a large drop in the issues caused by “too many competing IT projects”, is indicative of organisations failing to recruit and retain sufficient levels of IT staff. This backs up the global IT market’s general concerns over skills shortages coupled with the expected outflux of non-UK workers from Britain post-Brexit. It’s a good reason to outsource in the areas of resource shortages, e.g. for various ServiceNow management and administrative capabilities.

Figure 1: Which of these obstacles and challenges will you face in next 12 months?

Obstacle/Challenge	2019	2018	2017	2016
Availability of budget	60% ▲	51%	44%	51%
Too many competing IT projects	43% ▼	52%	46%	43%
Access to internal resources	40% ▲	33%	30%	32%
Lack of specialist skills	34% ▼	37%	43%	29%
Getting buy-in for improving non-core IT processes	26% ▼	30%	23%	26%
Constraints of current ITSM systems	23% ▼	22%	17%	22%
Other	1% ▼	2%	1%	2%

Source: TeamUltra, Now at Work/Now Forum London Surveys (Q4 2019, 2018, 2017, and 2016)

▲ Year on year increase

▼ Year on year decrease

In terms of where IT organisations are focused right now in terms of new innovation-driving capabilities, there’s one big winner in 2019 through 2020 – artificial intelligence (AI)-enabled capabilities including chatbots (see Figure 2). This is no doubt driven by a mix of causes including:

- A better understanding of what AI can and cannot do to help solve current ITSM challenges
- The introduction of AI-enabled capabilities within service management solutions
- Wider availability of AI-related customer success stories that demonstrate the business value it can deliver.

Figure 2: What initiatives are you looking at in the next 12 months?

Initiative	2019	2018	2017	2016
Upgrade ITSM systems	39% ▼	48%	19%	26%
Chatbots	33% ▲	-	-	-
Artificial intelligence	31% ▲	-	-	-
IT security and vulnerability	27% ▼	30%	29%	26%
Extend ITSM to non-core IT lines of business (HR, facilities, etc.)	26% ▼	32%	25%	34%
Customer service or customer relationship management	24% ▼	31%	24%	23%
Governance, risk, & compliance	23% ▼	30%	30%	30%
Introduce a new service management system	20% ▼	23%	23%	27%
Service desk alignment to ITIL	19% ▼	24%	18%	26%
SIAM (Service integration and management)	11% ▼	12%	14%	27%
Outsource management of Now Platform	3% ▲	-	-	-
Other	3% ▼	5%	4%	4%

Source: TeamUltra, Now at Work/Now Forum London Surveys (Q4 2019, 2018, 2017, and 2016)

All of the other survey options, without exception saw a decrease in 2019 (versus the 2018 survey), with:

- “Upgrade ITSM systems” still top despite a 9% decrease relative to 2018’s survey results
- “Extend ITSM to non-core IT lines of business” has dropped back down to its 2017 level, as has “customer service or customer relationship management” and “service desk alignment to ITIL”
- “Governance, risk, and compliance” has dropped below 30% for the first time since this survey commenced. This could in part be due to ServiceNow now calling it integrated risk management (IRM) or it might be indicative to GRC increasingly being handled at a corporate level.

Another new option was added to the 2019 survey, that of “outsource management of the Now Platform” which shows 3% of organisations currently planning to do this.

Diving deeper into enterprise service management – “The use of ITSM principles and capabilities in other business areas to improve performance, service, and outcomes” – Figure 3 shows the most common areas in which ITSM principles and technology are currently being used. Comparing the 2019 results to 2018 data, IT operations management (ITOM) has bounced back to its 2017 level and now sits top of the table, way ahead of the non-IT use case scenarios.

Figure 3: Has your organisation applied ITSM principles and practices to any other lines of business?

Line of Business	2019	2018	2017	2016
IT operations management	54% ▲	29%	53%	56%
Human resources (HR)	25% ▼	31%	23%	27%
Customer service	25% ▼	38%	20%	25%
Software development	20%	20%	19%	19%
Security operations	20% ▲	-	-	-
Project and portfolio management	17% ▼	26%	23%	23%
Only in IT – not gone to other lines of business	16% ▲	9%	17%	19%
Financial service management	7% ▼	14%	11%	15%
Employee relations and payroll	7% ▼	12%	5%	6%
Other	1% ▼	2%	2%	2%
Facilities management	Not inc	14%	13%	21%

Source: TeamUltra, Now at Work/Now Forum London Surveys (Q4 2019, 2018, 2017, and 2016)

The “only in IT” option, i.e. when there has been no enterprise service management activity, has also seen a bounce back in 2019 after falling to just 9% in the 2018 survey. Despite the increase to 16%, likely due to sample differences (such as a higher proportion of ServiceNow prospects attending the event), it still shows the adoption of ITSM principles and practices in other lines of business at a very healthy 84% of organisations.

This increase, and its likely root cause, is probably also the best explanation as to why the other line of business options have seen a corresponding drop in the 2019 survey results. For example, HR, project and portfolio management, financial service management, and employee relations and payroll. However, the drop in customer service – from 38% to 25% – requires further investigation given that Figure 4 shows that 57% of organisations use ServiceNow for customer-related support activities.

Customer Service Management

The growth in ITSM principles and practices, as well as technology, being applied to CSM in 2018 was significant – at 38% of organisations. The 2019 TeamUltra Now at Work London survey thus continued to pose questions related to the current suitability of CSM operations in terms of the adopted technologies and 2020 objectives.

In terms of customer service technology, Figure 4 again shows that ServiceNow is the most commonly used system for CSM, maybe in conjunction with an existing CRM system. The high level of adoption, at 57%, will probably surprise some readers even with the presumed bias resulting from the ServiceNow-event audience.

However, this technology view of ITSM capabilities being used for customer support contradicts the earlier drop in the level of the CSM enterprise service management use case. As to why this high level of ServiceNow use isn’t reflected in Figure 3, a possible reason is that it’s being used to enable sales personnel and operations more than the support of external customers in a help desk capacity.



Figure 4: What systems do you use for Customer Relationship Management?

CRM/CSM Solution Provider	2019	2018	2017	2016
ServiceNow	57% ▲	56%	49%	48%
Microsoft	18% ▲	12%	14%	17%
Salesforce	16% ▼	23%	24%	23%
Other	16% ▲	12%	17%	15%
SAP	11% ▼	12%	7%	16%
Jira (a new option for 2019)	10% ▼	-	-	-
BMC Remedy	7% ▲	5%	-	-
Pegasystems	2%	2%	-	-
Zendesk	1% ▼	2%	2%	2%
Sugar	1%	1%	0%	1%

Source: TeamUltra, Now at Work/Now Forum London Surveys (Q4 2019, 2018, 2017, and 2016)

In terms of the other CRM/CSM solutions employed, the previous second-placed option – Salesforce – saw the largest drop based on the delegates surveyed. With it relinquishing second place to Microsoft, which has bounced back to its 2016 level of adoption.

Jira was added for the 2019 Now at Work London survey with this taking fifth place at 10%. Whereas, BMC Remedy and Pegasystems, which were both added to the survey in 2018, saw minimal growth during the last year.



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84% of organisations have adopted ITSM principles and practices in other lines of business

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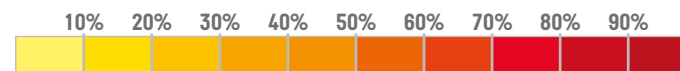
The second CSM-related survey question focused on the key customer service objectives for the year ahead. As shown in Figure 5, improving both customer service and customer

experience have remained top objectives. Interestingly, however, both have dropped versus the 2018 survey results, with customer experience showing a definite downward trend.

Figure 5: How important are the following customer service objectives over the next 12 months?

Objective	Very Important			Fairly Important			Important			Slightly Important			Not at All Important		
	'19	'18	'17	'19	'18	'17	'19	'18	'17	'19	'18	'17	'19	'18	'17
Improving customer service	69%	72%	70%	20%	18%	20%	7%	5%	8%	4%	3%	2%	0%	1%	1%
Improving customer experience	65%	68%	73%	24%	22%	19%	7%	6%	7%	1%	4%	1%	0%	0%	0%
Increasing efficiency	64%	61%	65%	24%	25%	24%	7%	8%	10%	2%	3%	1%	1%	1%	1%
More automation	50%	48%	45%	32%	24%	31%	12%	18%	16%	2%	6%	5%	1%	2%	1%
Reducing costs	45%	40%	46%	28%	31%	27%	20%	20%	19%	4%	7%	8%	1%	2%	1%
Improving the agent experience	37%	30%	21%	35%	40%	39%	16%	22%	24%	7%	6%	9%	1%	2%	2%
Driving innovation	31%	40%	37%	45%	29%	33%	15%	21%	24%	5%	8%	5%	1%	1%	0%
Replacing legacy CS systems	22%	35%	32%	31%	24%	24%	22%	18%	17%	16%	11%	13%	7%	7%	12%

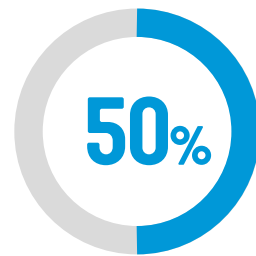
Source: TeamUltra, Now at Work/Now Forum London Surveys (Q4 2019, 2018, 2017, and 2016)





In terms of the biggest deltas between the 2019 and 2018 survey results:

- The two time-and-cost-related options – increasing efficiency and reducing costs – have both rebounded after dropping slightly in the 2018 survey.
- “More automation” continues its climb, particularly when the very important and fairly important columns of Figure 5 are viewed together [a combined 82% versus 72% in 2018].
- “Improving the agent experience”, while still second from bottom, is continuing to climb – with it now nearly double its 2017 level.
- “Replacing legacy customer service systems” has dropped dramatically from its 2018 peak. This might be indicative of the financial pressures mentioned earlier or the fact that 57% of survey respondents are already employing ServiceNow as a CSM/CRM solution.



Now cite more automation as a top customer service initiative

Employee Experience

In previous event surveys, a question was posed related to customer experience. This year, given the growing focus on employee experience and the importance of maximising employee productivity, for the 2019 Now at Work London event the question shown in Figure 6 was introduced.

Figure 6: Has your organisation bought into the need for delivering a better customer experience for employees (the user experience)?

Options	Q4 2019
Yes	68%
Not yet, but I know it will before 2021	16%
Don't know	12%
No, and I don't think it will	4%
What is customer experience for employees?	0%

Source: TeamUltra, Now at Work London Survey (Q4 2019)

The survey found that just over two-thirds of organisations have already bought into the need for proving a better IT service delivery and support experience to employees. With this expected to increase significantly by 2021. Just as importantly, only a small fraction of respondents think that their organisation will never accept the need to provide a better employee experience.

This compares favourably to results of a Q1 2019 Future of ITSM survey by the ITSM-focused website ITSM.tools [shown in Figure 6a], which found that:





Figure 6a: Has your organisation bought into the need for delivering a better customer experience for employees (the employee experience)?

Options	Future of ITSM	Now at Work	Change
Yes	48%	68%	+20%
Not yet, but I know it will before 2021	26%	16%	-10%
Don't know	6%	12%	+6%
No, and I don't think it will	18%	4%	-14%
What is customer experience for employees?	1%	0%	-1%

Source: TeamUltra, Now at Work London Survey (Q4 2019)

The increase in positive responses is likely due to two key factors, namely that:

1. Interest in the importance of employee experience in ITSM has grown significantly during 2019
2. ServiceNow customers tend to have a higher level of ITSM maturity and ambition than the average IT organisation.

Another survey question overlapped all three of employee experience, ITSM tools, and enterprise service management. This related to self-service capabilities, with the results shown in Figure 7.

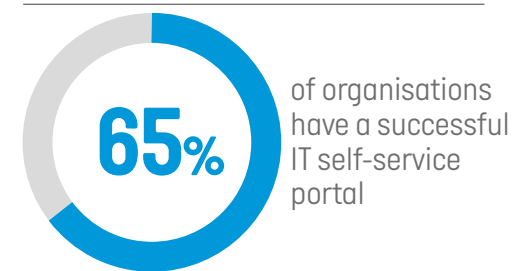
Figure 7: Do you have a self-service portal?

Options	2019
Yes, it's highly utilised for IT	37%
Yes, it's highly utilised for IT and other business functions	28%
Yes, but there's low adoption	26%
No, but we have current plans for a self-service portal	7%
No, and no plans	2%

Source: TeamUltra, Now at Work London Survey (Q4 2019)

This survey findings highlight a number of things for organisations – whether they're currently looking to invest in a new self-service portal or to improve upon what they currently have:

- Nearly two-thirds of organisations have a successful self-service portal. This is far higher than the industry average, with the cause likely to be the use of the ServiceNow platform and partner capabilities in ensuring that a successful portal is delivered.
- A quarter of organisations are still struggling with low adoption of their portal. And, without this, it will not have delivered its promised benefits across speedier service and support, lower costs, and a better employee experience.
- 28% of organisations are successfully using their self-service portal beyond IT which, while good, still offers the opportunity for the 84% of organisations using ITSM beyond IT to extend the scope and reach of their self-service capabilities.
- Only a couple of organisations have no plans for a self-service portal, a statistic that should make any organisation that doesn't have one question why.





AI and chatbots rank highly on the list of 2020 investments



Artificial Intelligence

The survey has already highlighted that AI and chatbots rank highly on the list of 2020 investments [see Figure 2]. A separate question drilled deeper into the current state of chatbot (and other bot) adoption, with the results shown in Figure 8.

Figure 8: What is your IT organisation's current position on chatbot and other bot adoption?

Options	Q4 2019
We're experimenting with bots	30%
We're planning to start with bots in the next 12 months	27%
We have no plans to use bots in the next 12 months	16%
Don't know	13%
We're already using bots in IT management areas	12%
What are "chatbots and other bots"?	1%

Source: TeamUltra, Now at Work London Survey (Q4 2019)

These Now at Work London event survey results again compare favourably with the results of the Q1 2019 survey [shown in Figure 8a].

Figure 8a: What is your IT organisation's current position on chatbot and other bot adoption?

Options	Future of ITSM	Now at Work	Change
We're experimenting with bots	14%	30%	+16%
We're planning to start with bots in the next 12 months	26%	16%	-10%
We have no plans to use bots in the next 12 months	6%	12%	+6%
Don't know	16%	13%	-3%
We're already using bots in IT management areas	9%	12%	+3%
What are "chatbots and other bots"?	2%	1%	-1%

Source: TeamUltra, Now at Work London Survey (Q4 2019)

There are significant differences between the two sets of survey results, which stem from the "we have no plans to use bots in the next 12 months" option reducing from 45% to just 16% between the two surveys. The increase in positive responses is again likely due to a combination of factors, including that:

1. Interest in AI and chatbot use for ITSM has grown significantly during 2019 which follows the wider trend in technology towards AI use
2. ServiceNow is already providing its customers with proven AI-enabled capabilities
3. Geographical, maturity, and organisational size differences in the two survey samples are likely to affect the applicability of AI and the ability to execute.



NEXT STEPS

The 2019 TeamUltra Now at Work London survey highlights much of what service professionals will be focusing on in 2020 and beyond. Helpfully it will help to point your organisation in the right direction in terms of the changes required to bring about the desired – or mandated – future state for IT, customer services, and every other business function that's looking to improve upon their service delivery and support capabilities and outcomes.

In deciding where to best focus service management improvement activity and expenditure, we recommend that organisations:

1. Fully understand the changing service delivery and support landscape and expectations – the rise of employee experience and AI adoption in particular – from an enterprise service management perspective. This is likely to necessitate changes across people, processes, and technology; and might include a tooling-related change in order to deliver modern, employee-centric service and support capabilities. Given the complexity of the potential need for change, this is likely to necessitate third-party advisory services.
2. Start to invest time and effort in employee conversations and suitable feedback mechanisms. It's the only way to truly gauge employee experience and to consequently identify and address the related improvement opportunities that will improve employee productivity and business outcomes.
3. Recognise that the introduction of AI takes time. From strategy formulation, through the prioritisation of investments and technology selection, to delivering the required solution and driving adoption. So, plan for AI adoption now, even if funding is yet to be made available.

MORE INFORMATION

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