



I D C T E C H N O L O G Y S P O T L I G H T

The Future of ITSM: Service Management Platforms for Digital Transformation

August 2015

Adapted from *IDC Marketscape: Worldwide Service Desk Management Software 2014 Vendor Analysis* by Robert Young, IDC #249798

Sponsored by HP

As more enterprises undergo digital transformation to the 3rd Platform of computing — which comprises cloud, mobility, big data/analytics, and social business — the nature of IT and IT service management (ITSM) is rapidly changing. With more lines of business making their own technology decisions, IT must remake itself into a more service management-oriented and business-oriented organization. This Technology Spotlight describes digital transformation and how it is affecting the delivery of IT services to accelerate the transformation of digital enterprises. This document also describes the "new" IT service management architecture that more commonly includes IT services delivered through the cloud. After a description of HP Service Anywhere, HP's SaaS IT service management offering, the paper offers some guidance to enterprises looking to offer strategic 3rd Platform-based IT service management.

Introduction: Digital Transformation to the 3rd Platform

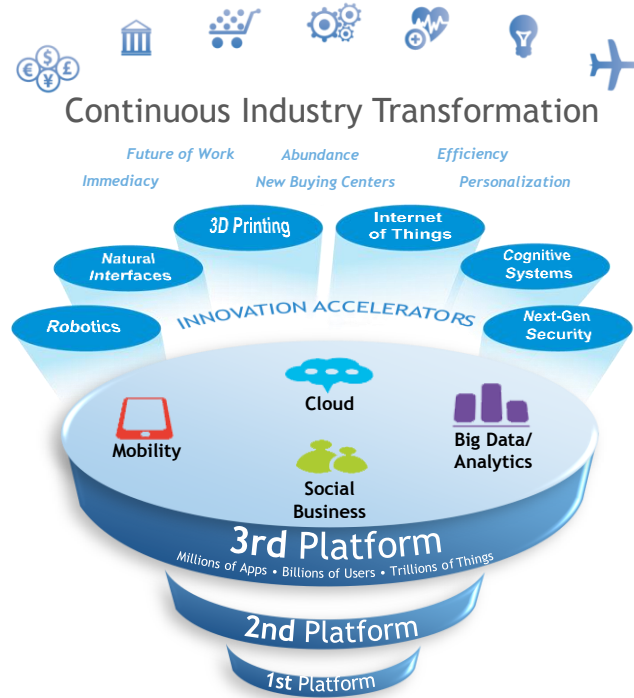
Digital technology has changed the landscape of business. Technology and associated new business models and strategies will continue to significantly impact most organizations at a rising level of intensity. IDC predicts that by 2018, one-third of the top 20 market share leaders in most industries will be significantly disrupted by new competitors (and "reinvented" incumbents) that use the 3rd Platform to create new services and business models, optimizing for mobility, cloud, social customer experiences, and big data analytics.

Digital transformation is one means of creating "antifragile" businesses that not only can weather such disruptions but also can leverage and thrive on them. IDC defines "digital transformation" as the continuous process by which enterprises adapt to or drive disruptive changes in their customers and markets by leveraging digital competencies to innovate new business models, products, and services that seamlessly blend digital, physical, business, and customer experiences while improving operational efficiencies and organizational performance.

This 3rd Platform disruption — cloud, mobility, big data/analytics, and social business — is forcing businesses to transform (see Figure 1). While IT organizations have worked hard over the years to learn how to cope with change, the current rate of acceleration and the order-of-magnitude increases in every measure of volume present IT with a seemingly impossible challenge. Traditional approaches to managing and servicing IT are too slow, while business organizations need speed. So line-of-business (LOB) executives are taking charge of their destiny. IDC surveys show that 43% of LOB managers are driving their own tech projects because they are comfortable with technology.

FIGURE 1

3rd Platform Drives Digital Transformation



Source: IDC, 2015

Digital Transformation's Impact on IT Service Management

The digital transformation is forcing a difference in the way IT infrastructure is deployed, from on-premise hardware and software to a hosted type of setup or a deployment on a cloud. The approach of hosting and running applications on a cloud offers advantages such as elasticity, flexibility, reliability, and costing models that are more opex based on usage; and LOBs want these advantages. As a result, IT is increasingly measured on the basis of service consumption as opposed to operational activity or project results. The more business takes advantage of the services provided in an IT catalog, the higher the value of IT. So the new business imperative of IT is to create customer value through highly efficient and effective IT service innovation.

Unfortunately, most IT services are not stock items that can be manufactured and stored in anticipation of demand. The service portfolio must predict business demand for the underlying IT service assets that are or will be contained in the service catalog. With the introduction of the 3rd Platform, this total business service focus is not a luxury; rather, it is a survival imperative. And the new challenge for the CIO is to integrate both IT internal services and new 3rd Platform services into a fully unified architecture based upon business-oriented services using constant and competitive innovation. These business-oriented services will become the foundation of the next-generation IT service portfolio and catalog in both business and financial terms and will enable true service life-cycle management to drive service innovation with 3rd Platform solutions. With this new business-oriented service management architecture in place, the CIO can better drive and lead the entire IT organization toward its goal of creating customer value.

Not only are IT services typically not well defined, but this service obscurity inhibits any form of true strategic management practices from being applied, such as those that would be performed by product managers in most other commercial endeavors. Effective 3rd Platform IT service must rise above the hodgepodge of typical IT management practices that revolve around disconnected data silos and multiple portfolios associated with the service catalog, the application portfolio, the PMO, enterprise architectures, technical services, asset management, capital budgets, IT budgets, IT chargeback, time reporting, and other random files hidden deep within every IT manager's catacombs of spreadsheets.

The inability to connect all these important management instruments and provide critical IT service life-cycle dashboards that are needed to manage the strategic, tactical, and operational performance of each business-oriented service is an overriding reason why many CIOs have not fully adopted service management as a top priority.

Transforming IT Services

To avoid being relegated to a legacy system maintenance role, IT organizations need to realign their business model around a new service business that combines 3rd Platform technology and internal IT services. This encompasses the transformation of IT from a central single-source provider to a more decentralized "broker of diverse services" and requires a complete overhaul of professional business practices organized around a new business-oriented service management architecture. Enterprise IT must operate as a true service business that brokers and manages 3rd Platform service providers as part of its innovative service offerings, as opposed to competing with and losing to these IT interlopers.

To execute this "run IT as a service broker" game plan, IT organizations must design a new business-oriented service management architecture. This architecture will elevate the business practices of IT to the professionalism of its 3rd Platform competitors and provide value-added services on top of the 3rd Platform. The architecture will enable seamless integration of 3rd Platform solutions to internal data, apply company security policies to data in the cloud, communicate the true cost of each business-oriented service to the customer, and provide an "all inclusive" overview of IT activities across the entire decentralized landscape of IT and 3rd Platform services to C-level and LOB management.

This unified business-oriented service management architecture will mobilize the entire IT organization to offer constant and competitive service innovations. It will be made up of a next-generation service portfolio, a service catalog, and a service cost model; will enable significant improvements in IT decision making and communications; and will become a top priority of CIOs as a means to achieve the goals of both IT and customers.

To meet the needs of the next-generation of IT organizations, IT service management solutions are increasingly being delivered via SaaS model. This is driven by enterprises that continue to seek solutions that reduce up-front capex as well as ongoing operating costs associated with upgrades and maintenance. SaaS-based problem IT service management solutions can often offer faster procurement and delivery time frames than on-premises implementations. Further, this approach can decrease the TCO of problem management software by expanding the solutions out of IT and into LOB units such as HR, facilities, and finance. IDC believes, therefore, that the SaaS delivery model of IT services can become a critical success path for managing enterprise demand for IT services.

Considering HP Service Anywhere

HP offers HP Service Anywhere, a SaaS service desk solution delivered through a subscription-based licensing model. Service Anywhere supports ITSM processes and corresponding ITIL best practices. Service Anywhere was designed with 3rd Platform principles in mind — embracing cloud, mobility, big data/analytics, and social (see Table 1). Service Anywhere also aligns with 3rd Platform concepts of agile and connected processes because it includes capabilities for asset management, ideation, and decision making.

TABLE 1

Service Anywhere Alignment with 3rd Platform Technology Pillars

3rd Platform Driver	HP Service Anywhere Alignment
Cloud	Service Anywhere is a cloud-based SaaS IT service desk accessible worldwide. It is an ITSM solution for lean organizations delivering services via the cloud and is easy to use and quick to deploy, with simplicity of ongoing maintenance. The continuous delivery results in seamless upgrades.
Mobile	All Service Anywhere interfaces support mobile access from various devices for end users making requests or submitting tickets, remote support staff working tickets and accessing records, and management approvals.
Big data/analytics	Big data is foundational to HP Service Anywhere and woven throughout the processes and functions. The HP Haven big data engine analyzes all relevant ITSM data, detects trends, provides proactive knowledge, and presents analytics for process improvement.
Social business	Social self-service is one of the distinguishing aspects of Service Anywhere. End users can help themselves and share advice helping each other. Searches, questions, and exchanges of advice are all captured by the big data analytics for trend analysis and reuse. With social collaboration, end users become more self-sufficient and the volume of tickets is reduced.

Source: HP, 2015

HP Service Anywhere provides comprehensive service desk capabilities, including the handling of all aspects of inbound requests as well as incident, problem, change, configuration, and release management for use in IT and non-IT functions. The solution features an intuitive user interface that has been designed with specific roles in mind. Different roles will have unique interfaces such as for self-service end-users, live support agents, and change managers. This reflects Service Anywhere's fit-for-purpose approach, as opposed to incremental customization of a more generic ITSM platform.

Service Anywhere features social collaboration for end users and their communities. Mobile access enables users to have access anytime and anywhere supported by an HTML5-based user interface. This functionality, combined with HP's big data knowledge delivery, allows end users to be more self-sufficient and reduces the volume of inbound tickets.

HP Service Anywhere's embedded big data engine analyzes relevant sources of ITSM data, including end-user requests, searches, survey results, incident records, and change records. Knowledge sources include created and out-of-the-box articles, exchanges/responses to similar queries, tickets/records, SharePoint sites, and other potential sources. In addition to enhancing end-user self-service, Service Anywhere proactively delivers knowledge to agents to improve the efficiency and speed of ticket handling.

With big data–based insight, recommendations on ticket classification and assignment are provided. Process owners can further recognize trends that can be proactively addressed to improve service quality and/or identify potential new service offerings. Change management is a good example of improving service quality as change records are compared by service types and differences between successful and unsuccessful changes of similar types are identified. This information is then presented as recommendations for improving the change processes.

Service Anywhere is architected and built on agile continuous-delivery principles. This in turn simplifies the configuration, deployment, and ongoing administration. A particularly notable aspect of the approach is that it eliminates the traditional process of upgrades; that is, new features are seamlessly made available to customers with zero downtime and zero upgrades. Additional features of HP Service Anywhere include the following:

- Licenses for HP Haven, HP's Big Data analytics platform
- Integration with companion HP Operations Orchestration for the automation of common tasks such as fulfilling requests, executing standard changes, and performing incident triage and remediation (This speeds the execution of these tasks and reduces the potential for errors.)
- Integration with the HP Universal CMDB and Discovery (HP's Universal Discovery software automates the discovery and dependency mapping of IT elements from infrastructure to applications and associated business services. Information is kept up to date, which is essential for asset management in physical, virtual, and cloud environments, This same understanding of application and service dependencies further enhances the effectiveness of change management and efficiency of both incident and problem management.)
- Integration with HP Business Service Management (BSM) for comprehensive IT operations management, in particular automating break-fix handling across event, incident, problem, and service-level management
- Integration with inbound email, databases, CSV files, LDAP, and Web Services
- Ability to link to other IT sources and customer data, including REST APIs and HP Connect-It

- SaaS delivery using infrastructure located at HP datacenter facilities, including monitoring of the system for 24 x 7 availability and related infrastructure support such as application version upgrades, application service packs, and patch installation

In addition, the SaaS platform manages and supports end-to-end delivery of required services for which HP guarantees 99.9% availability, as well as enhanced security.

Challenges

But HP does face challenges. First and foremost, the IT service management market is highly competitive, with both established players and upstarts entering the fray. As more enterprises move to the 3rd Platform, HP must establish a stronger identity as a next-generation provider of IT services solutions.

HP's SaaS portal, which allows customers to test and buy HP solutions such as Service Anywhere, should broaden the company's target customers to include organizations that increasingly seek reduced sales cycles and quick time-to-value options when purchasing software. Finally, HP must work to ensure that its SaaS based IT services solutions offer the same functionality as, if not more functionality than, its premises-based solutions. In particular, it is recommended that HP ensure that its SaaS-based solution expands capabilities to drive service brokerage such as demand and application portfolio management, event-to-incident correlation, and further automation (see criteria in the 3rd Platform section).

Conclusion

As enterprises undergo digital transformation to the 3rd Platform, IT will consist of increasingly heterogeneous and hybrid IT environments that add significant complexity to IT service and support within the enterprise. In addition, business users are demanding fast and easy access to a wide range of technologies, residing both on-premises and off-premises, to enhance productivity. As a result, IT organizations must remain focused on improving service delivery to business users and reducing costs while increasing operating efficiency and agility. Even with continued budget constraints, IT organizations are increasingly seeking solutions that can aid in effectively addressing the increasing levels of complexity in how business users seek to access and consume technology resources as well as IT support.

More than ever, IT organizations need the ability to deliver services and support to business users who are leveraging disparate hardware and software platforms, often across dispersed geographies. Therefore, advanced mobility optimizations, intuitive self-service, and collaboration capabilities will increasingly be requirements for IT service organizations that wish to truly support their LOB customers. In addition, IT service management delivered through SaaS will continue to be a growth driver as customers continue to seek solutions that reduce up-front capital expenditures as well as ongoing maintenance costs. These SaaS-based solutions can often offer faster procurement and delivery time frames than on-premise implementations.

But effective adoption of 3rd Platform technologies requires executive leadership and commitment to process and standards. Automation will enable operational productivity improvements but only if coupled with standard processes, templates, and policies. Holistic endpoint management (spanning both physical and virtual devices) of digital technologies can mean gaining deeper insights into IT systems and service utilization trends and costs. As such, IT executives must embrace new IT service technologies that consolidate and streamline IT services with cloud management tools and workflows.

For IT organizations looking to embrace the 3rd Platform of IT service management, IDC recommends the following:

- Prepare to provide hybrid support for a hybrid IT world. As a result, traditional IT service management software capabilities and value propositions will need to extend beyond traditional help desk functions to support hybrid cloud and mobile environments.
- Prepare for the fact that with the 3rd Platform, technology procurement decisions (specifically cloud resources) will increasingly stem from business units outside of IT. As a result, the need for cloud governance, cost control, optimization, and automated compliance checks will dramatically increase.
- Realize that physical, virtual, and cloud systems management will converge and IT service management will need to reach throughout the enterprise.
- Focus on service policies and software to enable seamless delivery across a wide range of device hardware and software platforms. Similarly, service management best practices should focus on enabling efficient access to technology and limiting the unnecessary bureaucracy and manual processes commonly associated with traditional IT service delivery frameworks.
- Understand that IT systems and service management solutions must focus on enabling IT organizations to efficiently deliver well-integrated solutions that demonstrate business value quickly.

IDC expects that SaaS-based solutions will play a greater role in the delivery of IT services management as organizations look to become more agile while reducing up-front capital expenditures as well as ongoing maintenance costs. IT organizations must determine what roles can be and should never be performed by a third party and reskill staff accordingly because they will be required to think and act more strategically. To the extent that HP can overcome the challenges discussed in this document, HP Service Anywhere should be considered by enterprises looking for a SaaS-based IT service management solution.

A B O U T T H I S P U B L I C A T I O N

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