

Champion Your Next Service Management Solution

How to Successfully Gain Buy-In and Budget

eBook 1: Benchmark Your Service Management Practice



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Executive Summary

You know you need to improve the way your service desk operates, but buying technology is hard...not just making the technical decisions but—at least as often—the effort required to gain agreement and secure a budget. It also takes time. A 2018 Gartner survey found that 78 percent of respondents say their latest technology purchase took longer than expected—and involved an average of 12 to 14 people, even for purchases of less than \$1 million.

Lead with Business Outcomes

The fastest way to accelerate your buying cycle is to lead with business outcomes. This series of four eBooks will help you define and articulate the business value of a new service management solution, based on reasoning that resonates with those you need to convince. By taking this approach, you are now acting as a trusted advisor, helping the business to better understand how IT contributes to growth. The series will show you how to:

- Improve confidence in your solution decision
- Justify how the solution brings value to the business
- Save time developing a business case with a best-practice approach
- Reduce effort to identify which metrics are most pertinent
- Build consensus internally with targeted messaging and talking points
- Expedite the change-making process in your organization

Accelerate Your Buying Decision

This approach will transform your buying process from agonizing to efficient. You can start at the beginning and work your way through or jump to any of the eBooks. They will help you scope the problems you want to solve, identify the capabilities you need, compare vendor offerings (including the status quo), connect to corporate initiatives, and build financial justification. Your business case will be compelling and convey a sense of urgency as you gain the widespread support you seek.

Source: Buckley, M., (4 Jun 2018). "Tech Go-to-Market: Why Tech Sales Cycles Are Taking So Long and What Needs to Be Done Now" (ID G00356767). Stamford, CT: Gartner, Inc.



Imagine the impact if you said,

"I can save our company
\$1.9M in the next three years for a
\$270K investment—
and it'll break even in just seven months."

1
Benchmark
Your Service
Management

2
Make Sense
of Your
Options

3
Establish the
Business
Impact

4
Gain
Widespread
Support

Champion series eBooks

What Service Experiences Do You Deliver Today?

eBook 1 of the Champion series takes into consideration both IT service management (ITSM) and enterprise service management (ESM), which are tightly intertwined and mutually beneficial, so it is important to understand the similarities and differences between the two solution types.

To improve the efficiency of overall IT operations, ITSM processes are primarily used by IT service desks to support request, incident, problem, change, service level, knowledge, and configuration management tasks and workflows. ESM is the application of these same best practices to other internal business functions, such as HR, marketing, legal, finance, facilities, and administration. Customers often implement ITSM first and then extend their services to other departments.

First, we'll take a look at the top trends impacting service management solutions, as well as the pain points and challenges associated with ineffective or nonexistent ITSM or ESM. When you finish this section, you'll have a concrete assessment of your current state.

"Current IT operating models...are not optimized to adapt to digitization. On average, **70%** of IT roles have no direct contact with the frontline, and **94%** of IT staff have a process-centric, risk-averse, and/or siloed mindset."

-Gartner, 2019

Source: Marquis, H., Govekar, M., & Holub, E. (July 2019). "Adopt a New I&O Operating Model and Organization Design for Digital Business" (ID G00352691). Gartner, Inc.



Six Trends Reshaping Service Management

Below are some of the biggest trends—within IT and in the larger business environment—that are driving the adoption and maturity of service management solutions.

- 1 Remote workforce arrives.** While some organizations encouraged employees to work from home, few were prepared to support a shift to a predominant remote workforce, as seen with COVID-19. This jump in demand exposed that some companies had not deployed an ITSM solution with the capabilities required to address the challenges of remote work.
- 2 Omni-channel comes of age.** Users today demand a variety of service access points, so they can experience support in ways that work best for them. Where once email or an online help desk were sufficient, users now want integration with social channels, collaboration platforms, virtual assistants—and the list grows.
- 3 Automation steps up a gear.** The advent of artificial intelligence (AI) and machine learning (ML) has accelerated the adoption of automation technologies. New sophisticated tools provide intelligent, end-to-end workflows that improve responsiveness and provide richer analysis, discovery, and measurement.
- 4 Low-code platforms democratize IT.** Low-code platforms accelerate innovation, improve technology adoption, and reduce time to market. Platforms that offer no-code development can democratize IT, enabling business users to contribute to digitization. This trend will become even more prevalent.
- 5 DevOps reshapes IT.** The goal of DevOps is to make application delivery faster, so end users can rapidly access new services and capabilities. More organizations will adopt DevOps practices as they restructure siloed infrastructure and operations (I&O) teams to become more collaborative and cross-functional.
- 6 Employee experience drives adoption of ESM.** ESM enables collaboration through shared self-service portals and other capabilities, thereby improving cross-functional collaboration and improving workplace experiences that attract and retain top talent. Leading ITSM vendors are integrating ESM capabilities into their offerings to meet this demand (Forrester ESM Wave, 2019).

Source: Betz, C., & McKeon-White, W. (24 Mar 2020). "ESM: The Software Platform for Knowledge Workers: Enable Your Digital Business with This New Enterprise Platform." Forrester Research, Inc.

1

Remote workforce arrives

2

Omni-channel comes of age

3

Automation steps up a gear

4

Low-code platforms democratize IT

5

DevOps reshapes IT

6

Employee experience drives adoption of ESM

"Employees expect fast, consumer-grade access to the services and information they need to get their jobs done."

-Forrester, 2020

The Agonies of Ineffective Service Management

The trends reshaping service management offer significant advantages but many teams are not yet ready to take advantage of them. The first challenge is to determine the root causes of ineffective service management.

- 1 Manual, time-consuming processes.** IT staffers who spend hours engaged in tedious, manual tasks and repetitive incident resolution have no time for root cause analysis. Workflows are interrupted by walk-ups, chats, and emails. High call volume and constant escalations translate to high administrative costs.
- 2 High staff turnover.** Staffers tire of constant firefighting and decide to move on. In a tight IT talent market, these openings may be even more difficult to fill, especially if the sub-par work environment is slammed in public forums.
- 3 Suboptimal employee productivity.** Employees like to solve their own problems but wrangling with spreadsheets, emails, and manual data entry is frustrating. They feel even more pressure if important tasks are missed or mistakes are made. Diminished engagement in turn negatively impacts customer satisfaction.
- 4 Poor customer experiences.** Employee dissatisfaction propagates to external customers via delays and too many "I'll get back to you" responses. And, of course, unhappy customers lead to a diminished bottom line.
- 5 Elevated security and compliance risks.** Rogue systems and processes increase data exposures when business units do an end-run around IT. Without visibility into all assets, IT falls short on security policies, violates vendor contracts, and experiences data breaches and data loss.
- 6 Strategic irrelevance of IT services.** Lacking centralized insight into KPIs, IT leaders find it difficult to discern where performance challenges lie or where a concentrated effort could deliver big, innovative breakthroughs. As a result, IT support is perceived as out of alignment with organizational goals.

Source: Matchett, C., Lord, K., Gonzalez, K., & Williams, R. (August 2019). "2019 Strategic Roadmap for IT Service Management" (ID G00441522). Stamford, CT: Gartner, Inc.

1

Manual, time-consuming processes

2

High staff turnover

3

Suboptimal employee productivity

4

Poor customer experiences

5

Elevated security and compliance risks

6

Strategic irrelevance of IT services

"Most I&O leaders lack the foundation to support anything but the most basic digital business, and recent trends indicate that this will continue to be a challenge into 2023."

-Gartner, 2019

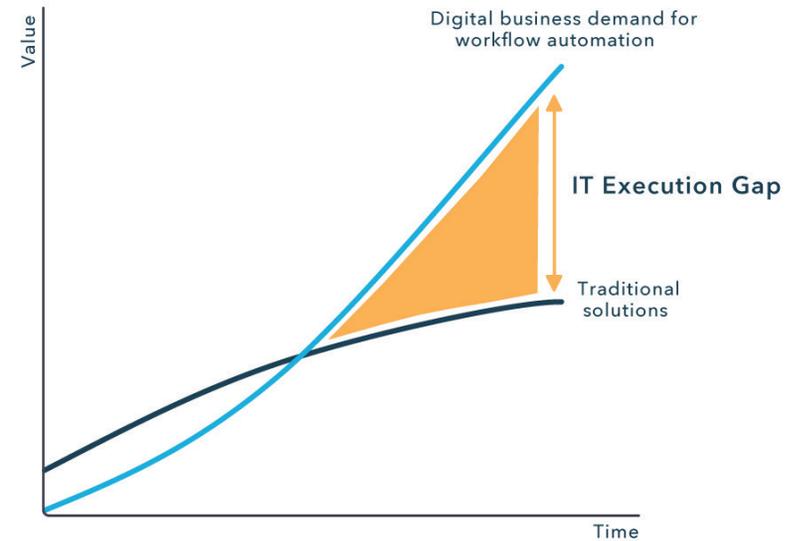
Determine the Cost of Doing Nothing

Staying with a legacy solution may appear cost efficient, but it's often a budget vampire—you'll spend time, money, and resources on upgrades.

Therefore, it is important to quantify the costs incurred if your organization delays implementation—or skips it entirely. For example, high costs, high complexity, high risk, lower value experiences, low agility, and low velocity can come from some of these issues:

- Subscription and maintenance costs
- Eventual price hikes
- Unavailable capacity
- Forced upgrades to continue support
- System admin and development staff hours to “keep the lights on”
- Unleveraged productivity increase
- Inhibited innovation

Furthermore, organizations need service management groups to become more responsive. Without a modern solution, the service desk will struggle to keep up with evolving user needs. The resulting “IT execution gap” of poor agility and outdated experiences makes it challenging to deliver on the digital transformation the business expects (see figure).



The IT execution gap is a result of inadequate agility, poor efficiency, and outdated experiences.

Assess Your IT Maturity Level

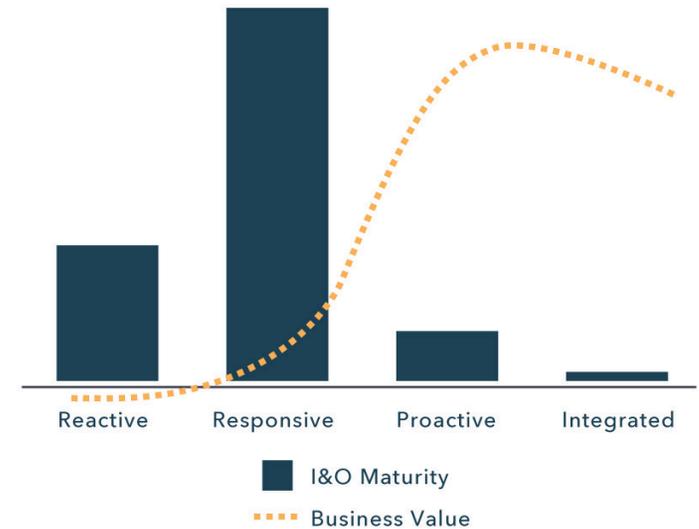
Now let's help you gain clarity about where you want to go in the future. You may have a solid idea of the next capabilities you need from an ITSM solution, but it's important to think ahead to where you want to be in, say, three years.

Most organizations have progressed beyond "reactive mode," and stand at a basic, "responsive" level of ITSM maturity. They have defined processes based on individual workflows, incorporated service management as an extension of help desk processes, and have implemented basic request, incident, knowledge, and inventory practices.

As organizations mature, they leverage industry best practices, document cross-functional responsibilities, and create metrics that measure process success. They also aggregate knowledge management, use reports and dashboards to track submissions and progress, execute a problem management discipline that eliminates root cause issues, and institute "proactive" management and alerts on critical systems. The "proactive" level is a true inflection point (see figure). Organizations at this level accelerate automation by employing ITSM concepts beyond IT and providing exceptional experiences to employees.

Finally, the most advanced groups determine their ITSM strategy for the coming years, create a service management office, and define core process roles. These groups have started to align to and "integrate" with services that deliver business value and can deploy rapidly, modify processes easily, and rely less on expert developers for customization.

Gain further insight and tips into ITSM maturity, and have some fun, with this [Level-Up Guide](#).



The IT service management maturity model

The average I&O maturity is 2.39 on a scale of 1 to 5 and needs significant improvement to move organizations from technology and process functional silos to transformational partners to the business.

-Gartner, 2019

Source: Matchett, C., Lord, K., Gonzalez, K., & Williams, R. (August 2019). "2019 Strategic Roadmap for IT Service Management" (ID G00441522). Stamford, CT: Gartner, Inc.

Find the Right Approach

If you're like many organizations we've talked to, you're probably looking to replace or update an existing ITSM or other automation solution. So we'll start by introducing the top measurable ITSM and ESM business outcomes. Because IT solutions in the market place deliver different approaches to automation, we'll also examine these alternatives and compare them to service management.

ITSM Business Outcomes

- Improve operational efficiency
- Resolve issues faster
- Reduce staff churn
- Maintain compliance
- Help the business expand
- Drive evidence-based decision-making

ESM Business Outcomes

- Information flows freely
- Better employee satisfaction and productivity
- TCO is lowered
- Risks are mitigated
- IT leads digital transformation



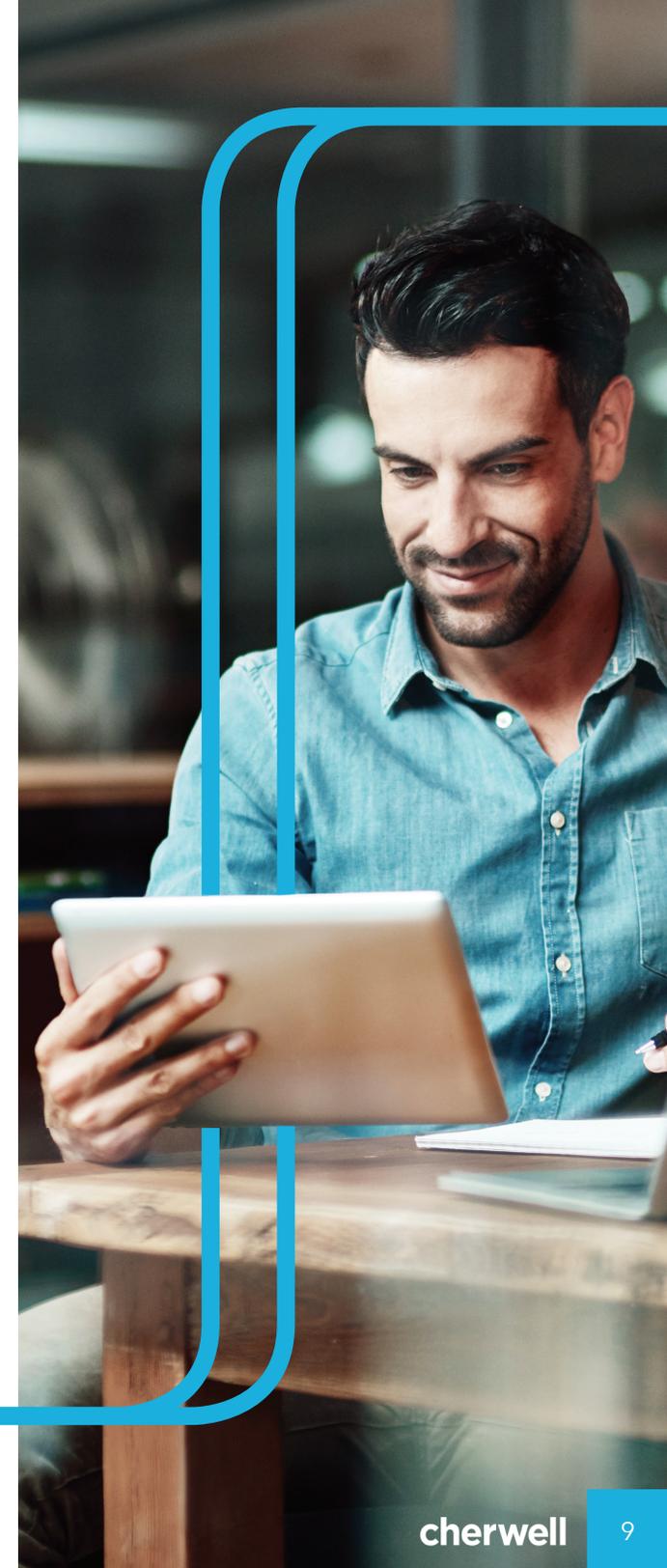
“We better identify service deficiencies, more quickly address process or training issues, and demonstrate value in service and business terms.”

–Jamie Houlihan, Director of IT and Customer Care, [Jenny Craig](#)

ITSM Business Outcomes

Determine where your ITSM solution directly impacts business value and put those metrics at the center of your business performance reports. Here are some of top ITSM business outcomes:

- **Improve IT operational efficiency.** You've integrated and consolidated systems, reducing human error and improving service uptime.
- **Resolve issues faster.** Users are troubleshooting many of their own problems using self-service portals, eliminating delays. IT staffers are utilizing a knowledge base and shifting out of reactive mode.
- **Reduce staff churn.** Your staff are less stressed and enjoy working on projects with tangible business value. You can retain and attract the IT expertise you need.
- **Maintain compliance.** Vital, time-sensitive compliance tasks are no longer pushed aside by daily ad hoc activities, and you can access the data you need.
- **Help the business expand.** You've accelerated time-to-market and time-to-value initiatives, thereby increasing brand loyalty, customer experience scores, and market share.
- **Drive evidence-based decisions.** The metrics you need to demonstrate IT's value-add are at your fingertips, and you can easily identify opportunities to deliver better business outcomes.



ESM Packs an Additional Punch

ESM extends and leverages ITSM capabilities with solutions to meet the needs of departments like HR, marketing, program management, facilities, and security. ESM solutions fill process and automation gaps and foster enterprise-wide collaboration. Here are the foremost ESM business outcomes:

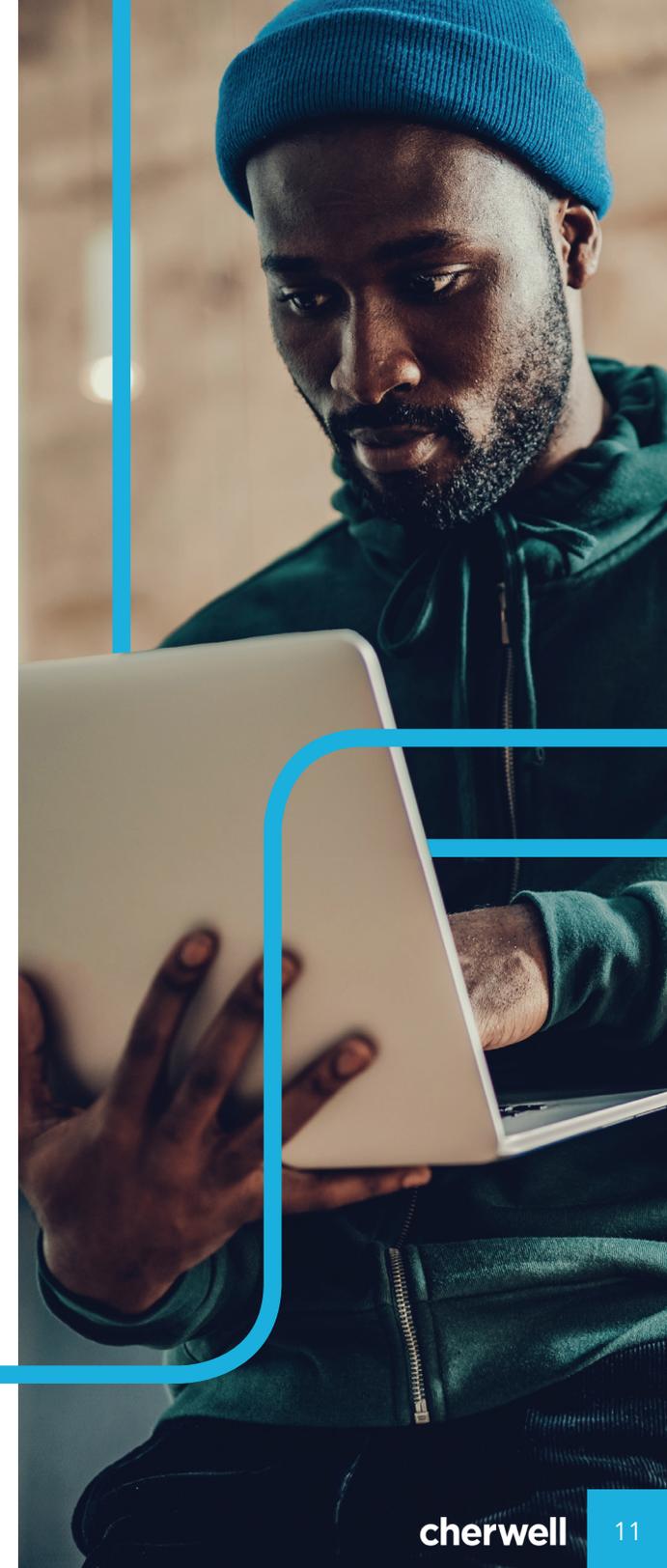
- **Information flows freely.** Consolidated systems and interfaces have eliminated portal sprawl. Complex, cross-functional workflows are without the usual “gotchas and glitches” of legacy integrations. Employees have access to the information they need, when and where they need it.
- **Better employee satisfaction and productivity.** Employees can access services from multiple departments using a consolidated self-service portal that’s always available. Encounters with unfamiliar systems are minimized, improving productivity and raising employee net promoter score (eNPS).
- **TCO is lowered.** By consolidating onto one service management solution, you’ve reduced spend across the enterprise and lowered administrative, computing, and maintenance costs.
- **Risks are mitigated.** Improved data management capabilities have strengthened your security posture, providing verifiable adherence to external regulations and internal security practices.
- **IT leads digital transformation.** No longer only an infrastructure operator, you’ve become a trusted partner. Line-of-business decision makers rely on you to advance the services and solutions that support key business initiatives.



Other Digital Workflow Automation Technologies

IT management, IT automation, and IT orchestration technologies all automate tasks, yet they differ in the way they integrate with IT infrastructures and in their ability to coordinate tasks in a defined process flow. It's good to understand and be able to articulate the similarities and differences, so you can provide insight into why ITSM or ESM may be the right solutions for your organization.

- **Robotic process automation (RPA)** is used for task automation and applications that do not have integration interfaces. At runtime, RPA "robot" processes execute tasks, operate at the task-focused end of the process hierarchy, and provide a quick way to get started with process automation. However, RPA does not orchestrate higher-level business processes or field service requests like an ITSM solution can.
- **Low-code application platforms** are visual, integrated development platforms that allow developers to drag-and-drop application components, connect them together, and create an application. Service management solutions often include a low-code or no-code service management platform.
- **Intelligent business process management (iBPM)** focuses on enterprise-wide process discovery, visualization, and monitoring. An iBPM can discover the details of undocumented processes and optimize the sequencing of process steps, especially with complicated tasks where human tasks are involved, and the process spans multiple business functions. This functionality is not often integrated into service management solutions.



How to Replace an Existing Solution

Most ITSM vendors offer solutions in a software-as-a-service (SaaS) model with a three- to five-year subscription contract. These subscriptions act much like a car lease: you don't own rights to the technology but rather rent software at a lower initial investment. Hosting costs are often included or are offered at a low fee.

The problem is that once a SaaS contract is in place, it's generally forgotten until a few months before the end of the term. What's more, many of these solutions have been customized and configured to your exact specifications. Software vendors call this "getting sticky," enabling them to secure their technology within one part of your business and then expand into other parts of the organization. To avoid this "sticky" trap, follow these four tips:



If you faced a massive price increase with months' notice, what would you do?

Switching ITSM vendors can take up to a year of planning, especially if you customize your solution.

[How to Break Up with Your SaaS Vendor](#)

1

Negotiate your next term before your contract ends. Ensure you have negotiating leverage by understanding future cost factors. Obtain current list prices, even if your vendor won't negotiate until 45 days from the end of the contract.

2

Have a "Plan B" ready at all times.

Develop relationships with your top two alternative solution vendors. Be transparent and let them help you understand their costs and how much time it would take to switch. If you're nervous about your current vendor, pay for a pilot of another solution.

3

Understand different licensing models.

Although an apples-to-apples comparison to your current terms is nearly impossible, consider what will impact long-run costs the most: concurrent versus named usage, all-inclusive versus a la carte, and low-code versus pro-code configurations. Answer [these nine questions](#) before licensing a new solution.

4

Reserve budget to run overlapping solutions.

The minimum time to go live with a new solution is six to eight weeks, so be prepared with your next solution before you retire the current one. You may wish to run both platforms in parallel for a short time. Include licensing and services costs, because few technologies fall into an easy rip-and-replace strategy.

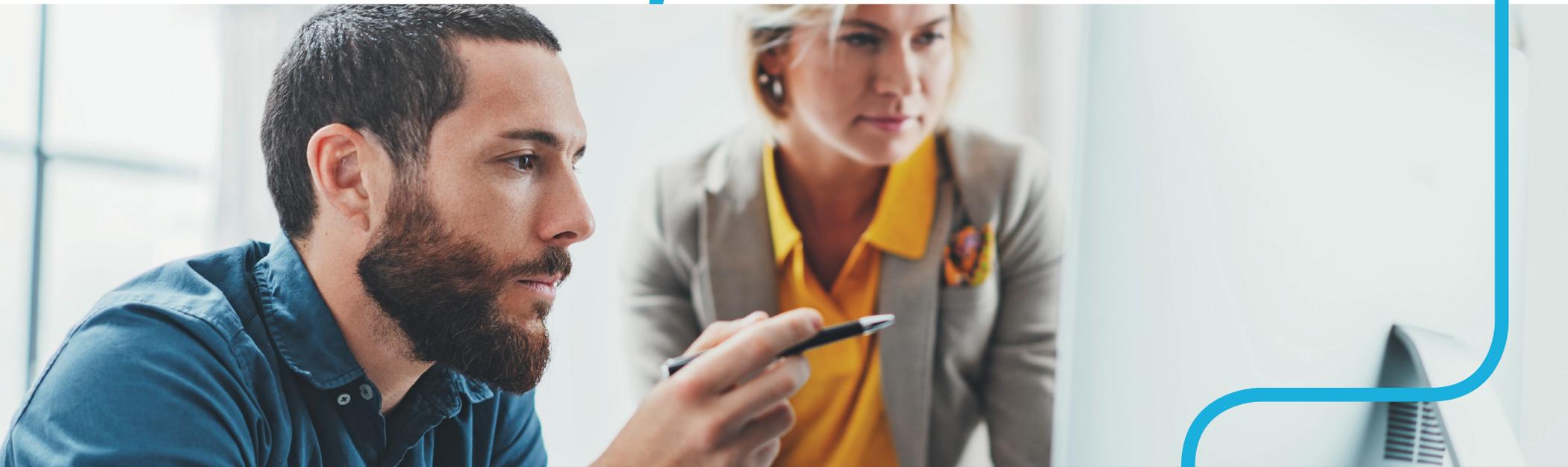
About Cherwell

If your organization is looking to lay the foundation for an innovative future, deliver superior employee and customer experiences, and streamline operations, Cherwell can help.

Our service management solution enables you to configure sophisticated workflows—including cross-functional workflows—without complex coding skills. It's easy to build on to the platform; you can add your own applications or choose from a wide selection of applications from our partners and customers. Our offerings include ITSM and ESM solutions, both based on a low-code development platform.

We know that you have a choice among many service management solutions. At Cherwell, we have something different to offer—and our customers have experienced this difference firsthand. Discover how our solutions can help your organization, too.

- [Gartner 2019 Magic Quadrant for ITSM Tools](#)
- [Forrester 2019 Enterprise Service Management Wave™](#)
- [Info-Tech Research Group's Vendor Landscape for Enterprise Service Desk Software](#)



cherwell

Cherwell has consistently ranked as an industry leader in ITSM and ESM software. The Colorado-based company is rated as a top employer state and nationwide, with its customer-first approach. Find out more about Cherwell products and services at [Cherwell.com](https://www.cherwell.com).

