IT Service Management Benchmarking Report 2017
Aligning ITSM and business strategy
There can be no doubt that the adoption of new and innovative technology is key to the realization of an organization's strategic goals. This has been the case for years, but the rate of change, and the rate of adoption of technology, is increasing rapidly. As many organizations across the globe embark on digital transformation, it is up to technology teams to step up to enable – and sometimes drive - the business to meet these goals.

This has made it even more essential for IT Service Management (ITSM) teams to align themselves to their organization's strategy. In this inaugural ITSM Benchmarking Survey we can see that, while 68% of service managers have a good understanding of their organization's overall objectives, there is still a disconnect between ITSM strategy and the business as a whole. Organizations must bridge this gap if they are deliver maximum value and success to their customers and grow their business.

In addition, ITSM is constantly evolving and the last 12 months have been no exception. While keeping up with the latest developments in technology and methods, practitioners in the field must meet ever-increasing demands on their outputs by ensuring optimum, streamlined efficiency. Here at AXELOS we endeavour to provide best practice to meet these ever-changing needs.

This report is the first of its kind from AXELOS. Our aim is to produce an annual report on the status of the ITSM industry. I would like to thank everyone who took part in the survey and hope that the insights will aid your understanding of the market as it stands and as it is likely to develop.

Over the last 18 months, in preparation for the launch of updated ITIL guidance, we have also conducted extensive research with hundreds of ITSM professionals. The findings confirm that the core principles of ITIL are as relevant as they ever were. But it has also become more important than ever for professionals to know how best to integrate these principles with other professional practices and new technologies. This will be reflected in the updated ITIL guidance, which will take shape during 2018.

AXELOS aims to ensure that our family of ITIL product service management professionals maintains a leading edge when it comes to new developments. We will do this by continuing to conduct research. If you would like to be involved in this research, and help to shape the future of ITIL, then please sign up to join our research programme at www.AXELOS.com/itil-research.

Finally, I would like to thank the partners who supported us in the promotion of the ITSM Benchmarking Survey. We benefited from a strong level of response from around the world and special thanks must go to APMG, Max Technical Training, iSMF International, PEOPLECERT, Purple Griffon, SERVIEW and TSO.

MARGO LEACH
CHIEF PRODUCT OFFICER
AXELOS
There is a contradiction in the way IT service management (ITSM) is perceived.

As individuals, ITSM professionals believe they have a clear understanding of strategy and are driving change within the organization. However, there is a perception that the goals of the organization and those of their ITSM teams are not aligned.

ITSM teams are failing to utilize evaluation tools, and metrics and measurement as integral components of their work practices. Instead, their focus is on operational processes.

Organizations need to adopt a holistic view of service management in order for transformation initiatives to be successful.
Aligning ITSM with the goals of the organization

Traditionally, ITSM was regarded as an operational tool, used solely for the management of existing IT capabilities. It was seldom considered a driver of innovation that could help the organization realize business value.

This is changing. Movements such as Agile and DevOps are shifting the focus of the ITSM team from the maintenance of services to iterative releases of products and services in close collaboration with the development team. Our research suggests a growing belief among ITSM practitioners that they can do more for the organization than simply set up an IT service desk. Nearly 70% say that they have a clear understanding of their organization’s overall strategy and 61% assert that ITSM will be “instrumental in achieving the organization’s business objectives over the next 5 years”. However, less than half agree their current goals are aligned with the organization’s strategy, which suggests there is a misalignment between the goals of business leaders and those of their ITSM teams.

The need for ITSM professionals to rise to today’s strategic business challenges is reflected in The Future IT Service Management Professional report, (which was published by AXELOS in early 2017). 92% of practitioners agree they need a strong strategic vision from their organization in order to contribute to business change. This strategic approach will allow ITSM teams to help guide the business on how to adapt services to customer needs.

ITSM maturity and capability

Respondents were asked to describe the maturity of their ITSM function. At first glance, there was an even spread from organizations with strong process maturity to those with less mature processes. When broken down by industry, tech companies have more mature processes, education has fewer mature processes, and financial services and government are somewhere in the middle. If ITSM maturity was measured purely against the adoption and adaption of processes, then this is the picture of ITSM you would expect to see in 2017. However, 60% of respondents claim to have no monitoring or evaluation in place.

The continual service improvement (CSI) concept outlined in ITIL shows the value that metrics and feedback bring to the improvement of processes and the pursuit of innovation. It is practically impossible to implement CSI effectively to make qualified improvements without relevant metrics. Therefore, although there is a movement towards greater process maturity, further improvements still need to be made.
What are the predominant challenges facing ITSM within organizations in 2017?

It will come as no surprise to ITSM professionals that among the most serious challenges, the most predominant is “inefficient processes, services, actions or metrics”. This is closely followed by “lack of visibility on projects and workloads within and outside the ITSM team”.

However, there is a disparity between large organizations and smaller organizations. For large organizations, the biggest challenge for ITSM is the lack of visibility; inefficient processes are of a lesser concern. Smaller organizations struggle with inefficient processes and a failure to understand customer needs. Other pressures include siloed work practices, and insufficient collaboration within teams and with external stakeholders.

Improving efficiency in ITSM

There is a common misconception that ITIL must be fully implemented across the lifecycle and that every process should be followed exactly as written in the Core Guidance. In reality, ITIL should be adopted and adapted to fit the needs of the organization. Although the survey suggests that smaller organizations struggle with inefficiency, it also reveals that 60% of responders do not use effective measurements and metrics. This lack of efficiency in processes, services, actions and metrics could be improved with a more structured approach to CSI and better transparency between teams.

Cultivating a culture of transparency

If ITSM is seen solely as a collection of processes, then ITSM’s involvement at a strategic level is superfluous. ITSM teams, particularly in larger organizations, need to shift their focus beyond processes to a more holistic view of the needs of the organization, and to use metrics and evaluation as a means to understand the value the team can add. By using evidence to back up the improvements and innovations they suggest, ITSM teams can demonstrate an understanding of the organization’s goals. Only then will operations teams be asked to be involved in planning, which in turn will improve the transparency of the workflow and optimize processes at a higher level. Despite these areas of dissatisfaction, survey respondents also registered more positive experiences within ITSM, such as having a common goal, stretching their existing capabilities to solve problems, and gaining support from stakeholders.

Organization size

The challenges for large and small organizations

Smaller organizations
- are more likely to have issues with:  
  - Not enough focus on or understanding of customer needs  
  - Project teams trying to do everything at once  
  - Project scope being too large

Bigger organizations
- are less likely to have issues with:  
  - Lack of visibility  
  - Lack of collaboration across teams

Top ITSM challenges

- Inefficient processes, services, actions or metrics
- Lack of visibility on projects and workloads within and outside the ITSM team
- Design decisions are based on assumptions and documents rather than real work practice
- Siloed working
- Not enough focus or understanding of the customer needs
- There is a lack of collaboration between or inside teams
With ITSM professionals handling an ever-changing assortment of workplace challenges, including advances in technology and increasing customer demand, what training are individuals and organizations undertaking in order to develop the skills to meet these challenges?

Investing in the future
For organizations, the priority with regards to learning and personal development is “improving organization efficiency and productivity”. There is also an emphasis on being recognized as outstanding: “being seen as an innovative business”, “being the best in our industry” and “being as competitive as possible in our field”.

“82% believe ITIL brings value to their organization”

However, despite these drivers, there is still a disconnect between organizational ambition and investment in development. When asked to rate their organization’s attitude to continuing professional development (CPD), less than half of respondents (46%) said they were both actively encouraged and had financial support. A quarter receive little or no encouragement in this area.

Although organizations may understand that CPD is both relevant and makes a difference to productivity, they operate in difficult financial circumstances and training budgets are frequently cut.

“the priority for learning and personal development is improving organization efficiency and productivity”

Though financial constraints are a perennial justification for holding back training investment, a more surprising finding was a “lack of formal assessment or appraisal structure to identify needs”. This absence of an effective skills development approach, and a reluctance to allow staff to dedicate time to learn and develop away from day-to-day work, are likely to hinder organizations from becoming innovative and competitive.
**Learning types**

ITSM professionals have a strong appetite for CPD, fuelled by a practical desire to do their jobs as “effectively as possible”. And this practicality extends to planning their futures, for “developing skills” for “progression up the career ladder” and “being up-to-date with the latest industry knowledge”.

However, what may come as a surprise is the relatively low importance placed on professional development as a means to increase earning potential, which only just scrapes into the top 10 of personal CPD priorities. Being recognized in the eyes of managers and colleagues ranks the lowest among reasons for undertaking CPD.

So how do ITSM professionals approach learning? Possible learning types, include Pragmatists, Activists, Theorists and Reflectors, and ITSM professionals to be being either Pragmatists (experimenting and trying out new ideas to see if they work in the real world) or Activists (getting their ‘hands dirty’ and learning by doing, diving headlong into new experiences).

**Which best describes your learning style?**

**A Pragmatist**
I want to see how learning can be put into practice in the real world. I experiment, trying out new ideas, theories and techniques to see if they work. I prefer to learn by taking time to think about applying learning in reality, using case studies, problem solving, discussion, interactive learning, and problem-based learning.

**An Activist**
I want to learn by doing. I want to get my hands dirty, and dive in with both feet first. I have an open-minded approach to learning, and involve myself fully and without bias in new experiences. I prefer to learn by brainstorming, problem solving, discussion, competitions, role-play, and interactivity.

**A Theorist**
I want to understand the theory behind the actions. I look for models, concepts and facts. I prefer to learn by analysis and synthesising, drawing new information into a systematic and logical theory. I look for models, statistics, stories, quotes, background information, and applying theories.

**A Reflector**
I want to learn by observing, and thinking about what happened. I avoid leaping in. I prefer to learn by standing back and looking at experiences from different perspectives, collecting data, and taking the time to work towards the right conclusion. I prefer to learn by paired discussions, self-analysis questionnaires, personality questionnaires, time out, observing activities, feedback from others, and coaching.
Self-diagnosis of CPD needs

When it comes to diagnosing their CPD requirements, practitioners are self-starters, with almost 80% saying they keep up-to-date with what is available via industry news. Only about a quarter (26%) say they engage with their company’s formal appraisal/assessment structure, and even fewer (6%) rate it as valuable. Feedback from line managers, according to our respondents, is considered practically worthless.

More than three-quarters of practitioners claim an interest in CPD, with two-thirds seeking out opportunities to learn via business networking sites such as LinkedIn, supplemented by blogs, Google, conferences, colleagues and trade journals.

Yet despite a passion for CPD, certain obstacles prevent the continuation of professional learning for individuals. Budget cuts mean organizations struggle to accommodate the cost of training, while employers, according to our survey, appear to be more of a hindrance than a help for employees who wish to pursue development. This could restrict the introduction of new skills and knowledge into the organization because the learning currently offered is not sufficient to bridge the skills gap.

Towards transferable skills

Despite these issues, our survey shows that almost two-thirds (62%) participated in formal training during the past three years, with an average of five days per year away from the business. Conversely, fewer than half have been involved in less formal CPD activities, such as industry conferences, seminars, in-house ‘lunch and learn’ sessions, coaching/mentoring, or reading relevant blogs, websites and journals.

ITSM professionals are confident that they have skills that are applicable beyond their current roles, with almost three-quarters (73%) seeing a high level of transferability. This sentiment was mirrored in The Future ITSM Professional, which found that, as organizations embed a service management approach across departments outside IT, the skills already possessed by ITSM practitioners will be in demand. Their knowledge and abilities will help organizations to manage services in line with corporate objectives, to innovate, and to deliver value to customers.

Accreditations: awareness and achievement

Among the range of industry training and accreditations relevant to ITSM practitioners, ITIL remains at the forefront of what is being studied and adopted.

In the balance between employer-funded and employee-funded training, organizations pay for the most common certifications, for example ITIL and Six Sigma.

Top ten training and accreditation respondents are aware of

In the balance between employer-funded and employee-funded training, organizations pay for the most common certifications, for example ITIL and Six Sigma.

Top ten training and accreditation used in organization

Top ten training and accreditation personally undertaken
Equipping for success

Organizations’ CPD priorities
- Improving organization efficiency/productivity
- Being seen as an innovative business/organization
- Being the best in our industry
- Being as competitive as possible in our field
- Improving the effectiveness of our teams
- Developing skills within the organization

Organizations’ CPD challenges
- The high cost of training
- Budget cutbacks for training
- Lack of a formal assessment or appraisal structure to identify needs
- The need to take staff away from day-to-day work
- Lack of commitment to professional development
- Low appreciation of the value of learning and professional development

Personal priorities in CPD
- Being able to do my job as effectively as possible
- Developing skills to enable future progression up the career ladder
- Being up to date with the latest industry knowledge
- Satisfying my own appetite for learning
- Learning by doing
- Ensuring I am one of the very best in my field

Personal challenges in CPD
- Learning and development is too expensive for the organization
- Budget cutbacks reduce how much the organization can offer
- Not easy to take time away from work
- Lack of support from my organization
- It will not make any difference to my career prospects
- Would not learn anything useful or new
What do ITSM professionals think about the spectrum of existing best practices, such as ITIL, and emerging practices such as Lean, DevOps, Agile, etc. How do they relate to each other?

We asked our respondents to state whether they thought the methods, frameworks and standards used in their organizations were “the gold standard for best practice”, “facilitating innovation”, “helping deliver organization objectives effectively”, “adding an unnecessary layer of complexity”, “becoming less relevant”, “reducing flexibility in organization processes”, etc.

We sorted their responses into four categories:
- Enabling and facilitating
- Credible and effective
- Inhibiting
- Unnecessary and irrelevant

The relative positivity and greater affinity associated with ITIL, Agile/Scrum, DevOps, Lean and Kaizen suggests that practitioners and their organizations have two concurrent challenges: - to innovate and experiment - to maintain stable processes and practices.
Emerging practices and the synergy with ITIL

In the past, organizations might have treated established frameworks such as ITIL and emerging movements such as DevOps as binary choices, but this is clearly changing. Practitioners recognize ways in which they are complementary.

ITSM professionals’ interest in emerging practices is mainly driven by three factors:
• the identification and elimination of wasteful work
• the value the practices can bring to the organization
• the adoption of practices such as continuous testing, integration and deployment.

Eliminating wasteful work

The biggest challenges that ITSM professionals face are a lack of visibility, and inefficient processes, services, actions and metrics.

A potential underlying cause of inefficiency is the increasing demands placed on IT operations, which means they take on more work than they have capacity to do. Unfortunately, this has a negative impact on their reputation; despite struggling to keep up with demand and working beyond realistic expectations, they are still perceived as delivering ‘poor performance’.

Both IT operations and development teams want to eliminate inefficient practices, but making improvements in isolation creates further challenges. Overcoming these challenges has given rise to the DevOps movement. At the same time, keeping up with innovation requires speed and adaptability, which has given rise to methods such as Lean and Agile.

Lean, Agile and DevOps are considered to streamline and facilitate innovation, while ITIL provides the essential trust and structure required for IT operations to work effectively. As such, they complement each other.

Technical practices and providing a service

The AXELOS paper, ITIL and DevOps; Getting Started, states that there is an attitude change within the organization that provides an opportunity for DevOps practices to work with the ITIL framework.

At this stage in the evolution of emerging practices, it is unsurprising that ITSM practitioners are more interested in their technical capabilities, rather than in their wider implications for cultural change, team management, and the need to manage services and customer experience once a new technology has gone live.

It is also interesting to note that continuous testing is important to respondents, which highlights the need for integrated support for CSI and for the ITIL framework to support technical practices. The uppermost consideration should always be on providing value, even when focusing on technical deployment.

“We as an industry are now ready to discuss organizational culture, organizational change management, and people’s role in organizations’ success. We don’t expect documented processes, written procedures, and advanced toolsets to deliver value on their own.”

ITIL and DevOps; Getting Started

Interest in specific learning

<table>
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<th>Area</th>
<th>Interested</th>
<th>Extremely Interested</th>
<th>Total percentage of respondents</th>
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<tr>
<td>Identifying and eliminating wasteful work</td>
<td>23</td>
<td>32</td>
<td>55%</td>
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<td>Technical practices (Continuous testing, CI/CD)</td>
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<td>41%</td>
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<td>DevOps in a Service Management organization</td>
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<td>48%</td>
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<tr>
<td>Identifying and managing constraints impeding work</td>
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<td>11</td>
<td>21%</td>
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<tr>
<td>Integrating information security into DevOps</td>
<td>7</td>
<td>10</td>
<td>17%</td>
</tr>
<tr>
<td>Something else</td>
<td>8</td>
<td>1</td>
<td>8%</td>
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Emerging Practices
Transformation is a recurring theme throughout the research, whether that means business transformation, IT transformation or digital transformation. However, for successful transformation, organizations and their ITSM teams need to be better aligned.

The disconnect between ITSM teams and business leaders needs to be resolved. ITSM professionals understand their organizations’ strategy. They know that their skills and knowledge will be instrumental in helping the business transform. Yet in reality, less than half agree that their goals are aligned with the organization’s strategy.

ITSM teams should take responsibility for this by shifting their focus from service operation to the wider service management lifecycle. Change initiatives cannot be implemented without relevant metrics, yet 60% of our respondents claim to have no monitoring or evaluation in place. Continual service improvement begins on day one.

For smaller organizations, the challenges are around inefficiencies in processes, services, actions and metrics. This is not surprising; a common misconception is that ITIL must be fully implemented. However, by adopting and adapting to fit their organizational needs, smaller organizations can remain flexible while improving efficiencies.

“The disconnect between ITSM teams and business leaders needs to be resolved”

Taking a holistic view of the lifecycle can also help ITSM professionals alleviate some of their major challenges. Within large organizations, the major challenge is the lack of visibility of their work beyond the ITSM team. If ITSM teams are focusing their attention on processes, they could be reinforcing the perception that ITSM is only about operations. By taking a holistic view, they can demonstrate to the business their wider areas of expertise.

When it comes to drivers for professional development, organizations and employees have the same goal: to be as effective as possible. However there is a gap between how organizations approach on-going development and the support that ITSM professionals actually receive. In the current climate, financial constraints have understandably led to a reduction in training budgets. This is common across most industries. The problem lies in the lack of formal assessment structures to help employees identify their training needs.

This has led to ITSM professionals self-starting their own development. The majority don’t find any value in their organizations’ development plans. Instead, they diagnose their own requirements and use the industry as a way to stay current. Despite the lack of formal support, ITSM professionals are confident about the transferability of their skills.

The AXELOS ITSM Benchmarking Report 2017 is based on the responses of 677 participants from a broad range of sectors, organizations and countries worldwide. 77% of respondents were from 12 countries, mainly in Europe, North America and Asia.

But what defines the ITSM professionals who shared their insights with us? The profession remains male-dominated (85%). The majority of respondents were aged between mid-thirties and late fifties, with an average age of 42. More than half were consultants, middle-managers, function or process managers or team leaders/managers, who have been in the industry for seven years on average.

58% have been with their current employer for up to five years, and nearly a quarter (23%) have stayed in the same workplace for between 6 and 10 years. Most are working in the IT sector and the next five most popular industry sectors are financial services, teaching and education, government, telecommunications and professional services.

The second highest percentage of ITSM professionals we questioned (29%) work in enterprises with more than 10,000 people. Just over a fifth (21%) work in organizations with between 1,500 and 9,999 employees, and more than one in three are employed in places with between 11 and 1,499 colleagues. Micro businesses (with fewer than 10 employers) represent 11% of our sample.

“More than half were consultants, middle-managers, function or process managers or team leaders/managers”
## Industry and role

### Areas of work

- **IT**: 39
- Financial services: 8
- Teaching and education: 6
- Government: 6
- Telecommunications: 6
- Professional services: 5
- Consulting-computer or networking related: 5
- Business and support services: 3
- Healthcare: 3
- Change Management / Program & project management: 3

### Industry and role

- **Professional services**: 53
- **High Technology**: 23
- **High Technology**: 18
- **Another type**: 6

## Career history

### Years in current role

- **20+ years**: 4
- **15 to 20 years**: 4
- **11 to 14 years**: 4
- **6 to 10 years**: 22
- **0 to 5 years**: 66
  - **Average years**: 5.5

### Years with current organization

- **20+ years**: 5
- **15 to 20 years**: 8
- **11 to 14 years**: 7
- **6 to 10 years**: 23
- **0 to 5 years**: 58
  - **Average years**: 6.6

### Years in this type of role

- **20+ years**: 6
- **15 to 20 years**: 7
- **11 to 14 years**: 6
- **6 to 10 years**: 29
- **0 to 5 years**: 51
  - **Average years**: 7.1

## Size of organization

### No. employees in entire organization

- Over 30: 36
- 6 to 30: 33
- 1 to 5: 31

### No. employees in entire organization

- 10,000+ employees: 29
- 5,000 to 9,999: 9
- 2,500 to 4,999: 8
- 2,000 to 2,499: 4
- 1,500 to 1,999: 4
- 1,000 to 1,499: 6
- 500 to 999: 8
- 100 to 499: 11
- 11 to 99: 9
- Less than 10 employees: 11

### No. employees in building/on site

- 1,500+: 16
- 1,000 to 1,499: 8
- 500 to 999: 13
- 100 to 499: 29
- 11 to 99 employees: 19
- Less than 10 employees: 16

### No. on site employees specifically in ITSM

- Over 30: 33
- 6 to 30: 31
- 1 to 5: 34

### Size of organization

- Larger, 29%
- Medium, 34%
- Smaller, 11%
Further information
If you would like further information about any ITIL products or AXELOS, please contact us at: Ask@AXELOS.com