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CHALLENGE THINKING. LEAD CHANGE.

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Enterprise Service Management: The New System of Engagement

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Agenda

› Why ESM matters

› The 2018 ESM Wave

› Looking forward

Why ESM matters

Is there a link between being happy at work, customer experience, and sustained financial performance?

IBM tracing how EX links to CX, and to revenue

"Employee engagement explains **two-thirds of our client experience scores**. And if we're able to increase client satisfaction by five points… **we see an extra 20% in revenue**"
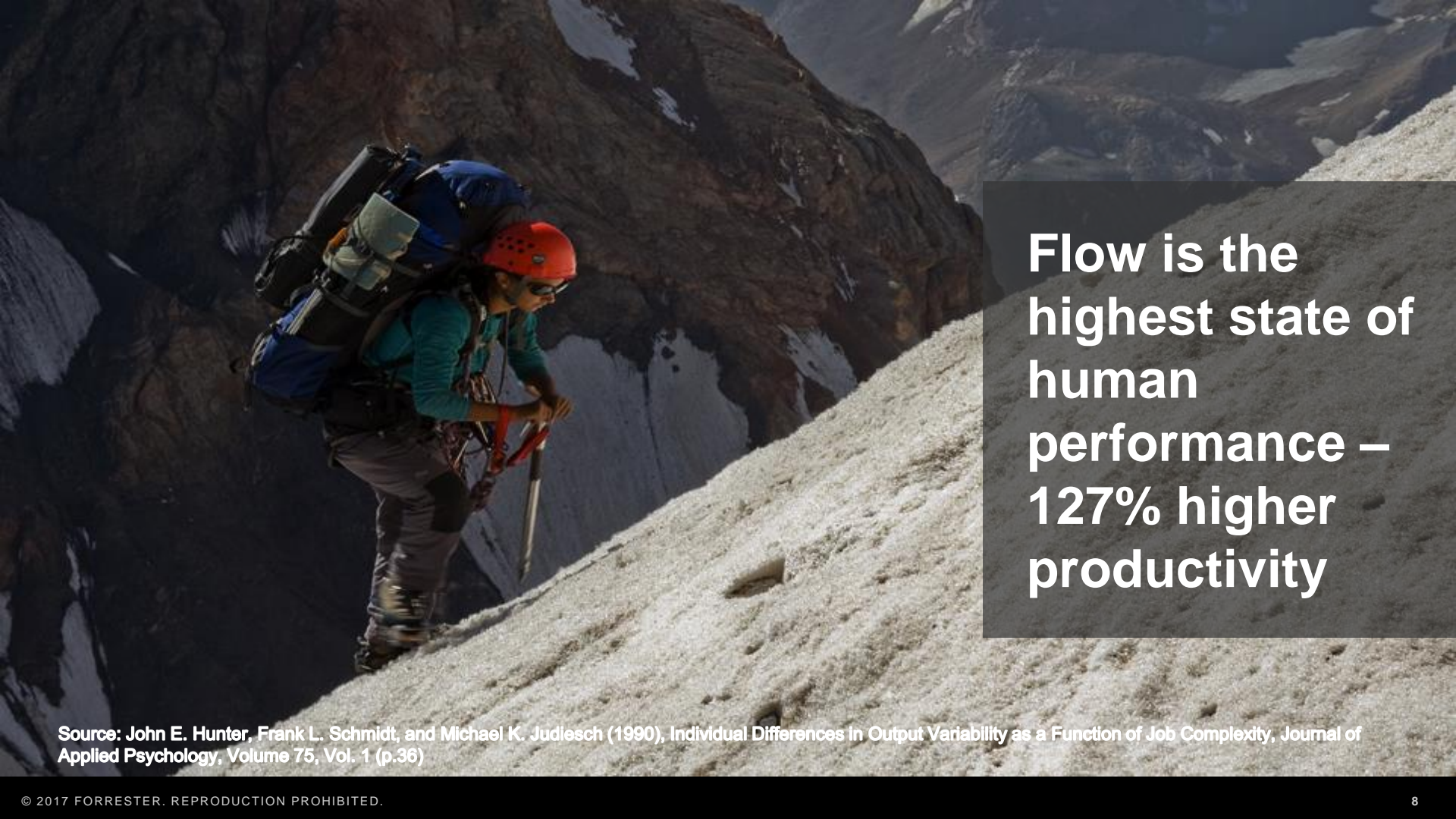
Conventional wisdom about what engages employees … is wrong

Key Insight #1: What makes people happiest and engaged at work isn't recognition, pay-for-performance or free pizza. It's getting things done.

Key Insight #2: The key to performance in knowledge work is the ability to self-regulate our attention, and stay focused on the work we believe matters most.

Flow is the highest state of human performance – 127% higher productivity

And what does a day in the life of today's knowledge worker look like?

Accounting   HR   Facilities   IT   Procurement   Legal   COO

??????

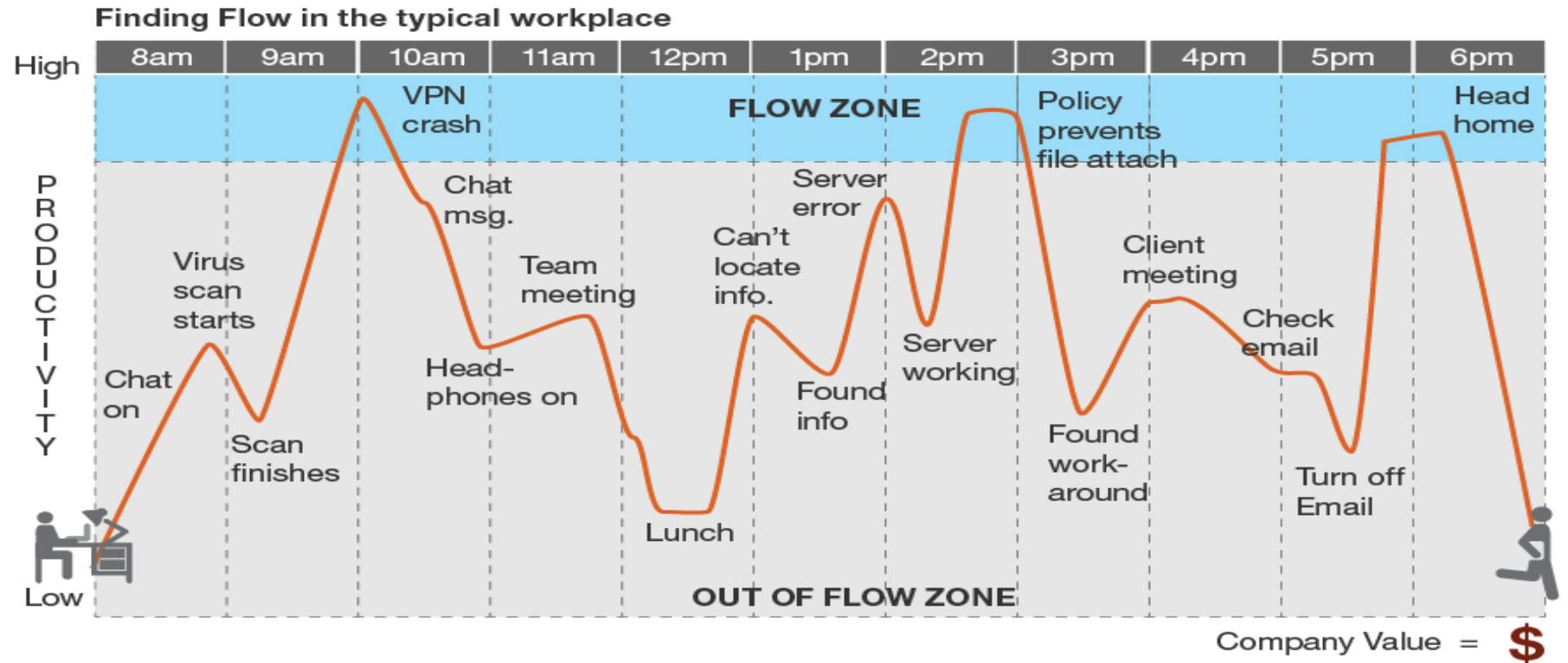Employees   Contractors   Suppliers   Partners

Fragmented Service Experiences Kill Flow

Finding Flow in the typical workplace

It's all about services

HR Services

Marketing And Communication Services

Legal Services

Facilities Services

IT Services

The Flow Workplace

Finding Flow in the ideal workplace

| | 8am | 9am | 10am | 11am | 12pm | 1pm | 2pm | 3pm | 4pm | 5pm | 6pm |

High

FLOW ZONE

All resources handy, no distractions

Email break

Meeting prep

Head home

Email break

P R O D U C T I V I T Y

Chat off

Finish meeting

Lunch

Low

OUT OF FLOW ZONE

Company Value = **$$$$$$$$$$**
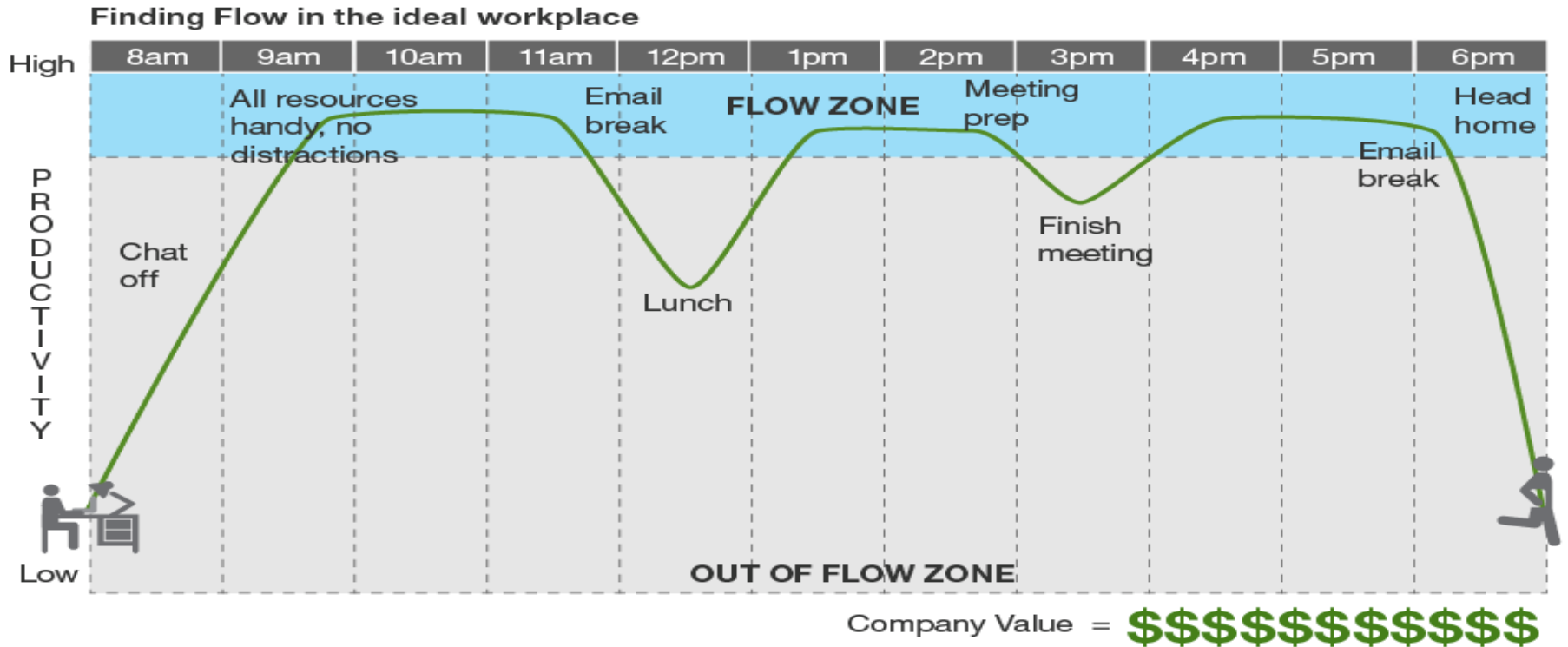
The 2018 Forrester ESM Wave

Vendors 2018

Evaluated Vendors And Product Information

The Forrester Wave™: Enterprise Service Management, Q3 2018

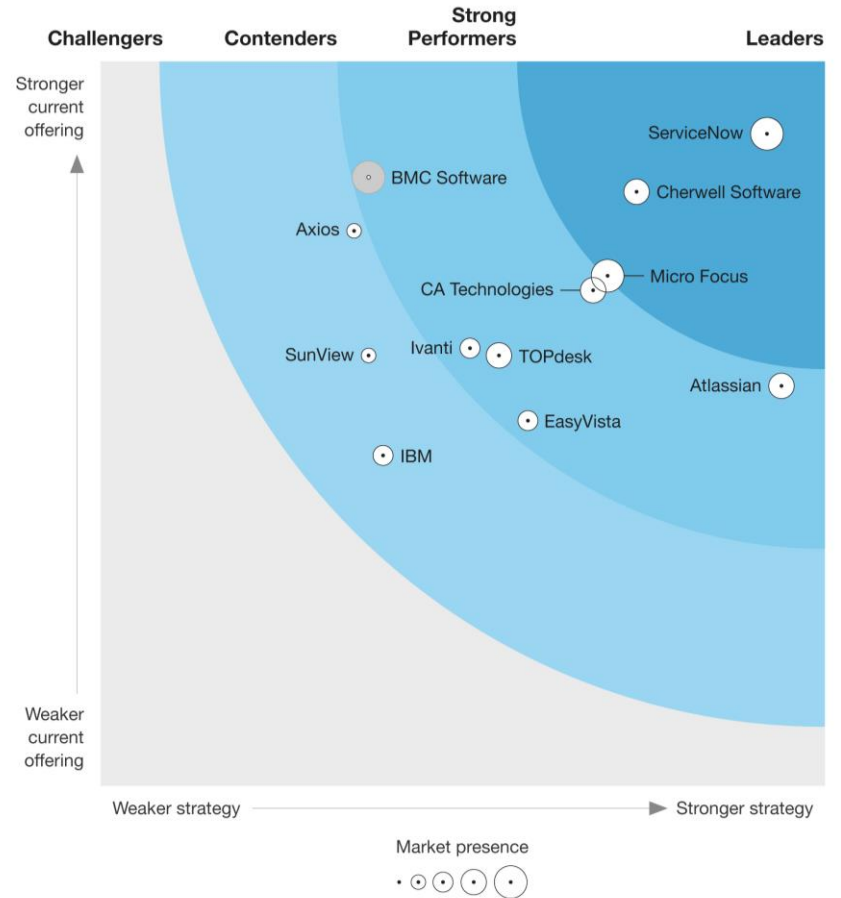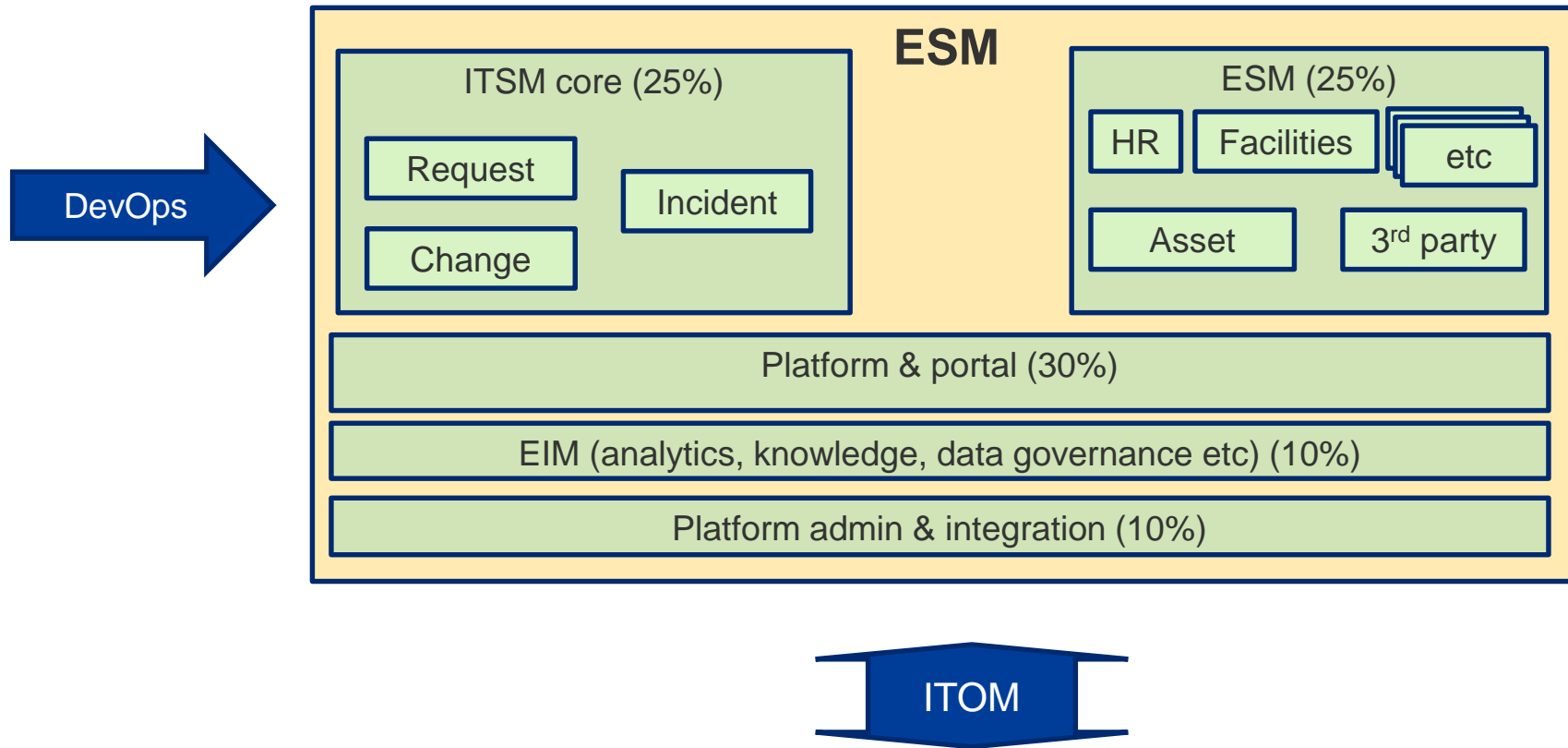| Vendor	Product evaluated	Product version evaluated
Atlassian	Jira Service Desk	3.12
Axios	Assyst	Version 10 SP 7.5
BMC Software	Remedy, Remedy with Smart IT, Digital Workplace Advanced	9.1, 18.05, 18.05
CA Technologies	CA Service Management	17.1
Cherwell Software	Cherwell Service Management	9.3.2
EasyVista	EasyVista Service Manager	2016.1.305.1
IBM	IBM Control Desk	V7.6
Ivanti	Ivanti Service Manager	2018.1
Micro Focus	Service Management Automation X	2018.05
ServiceNow	ServiceNow	Kingston
SunView	ChangeGear	Version 7
TOPdesk	TOPdesk Enterprise	8.4.xxx

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Forrester Wave chart: Challengers, Contenders, Strong Performers, Leaders (horizontal axis: Weaker strategy to Stronger strategy; vertical axis: Weaker current offering to Stronger current offering). Vendors plotted: ServiceNow, Cherwell Software, BMC Software, Axios, Micro Focus, CA Technologies, Atlassian, SunView, Ivanti, TOPdesk, EasyVista, IBM. Market presence indicated by circle size.

Wave research structure

ESM

ITSM core (25%)
- Request
- Incident
- Change

ESM (25%)
- HR
- Facilities
- etc
- Asset
- 3rd party

DevOps →

Platform & portal (30%)

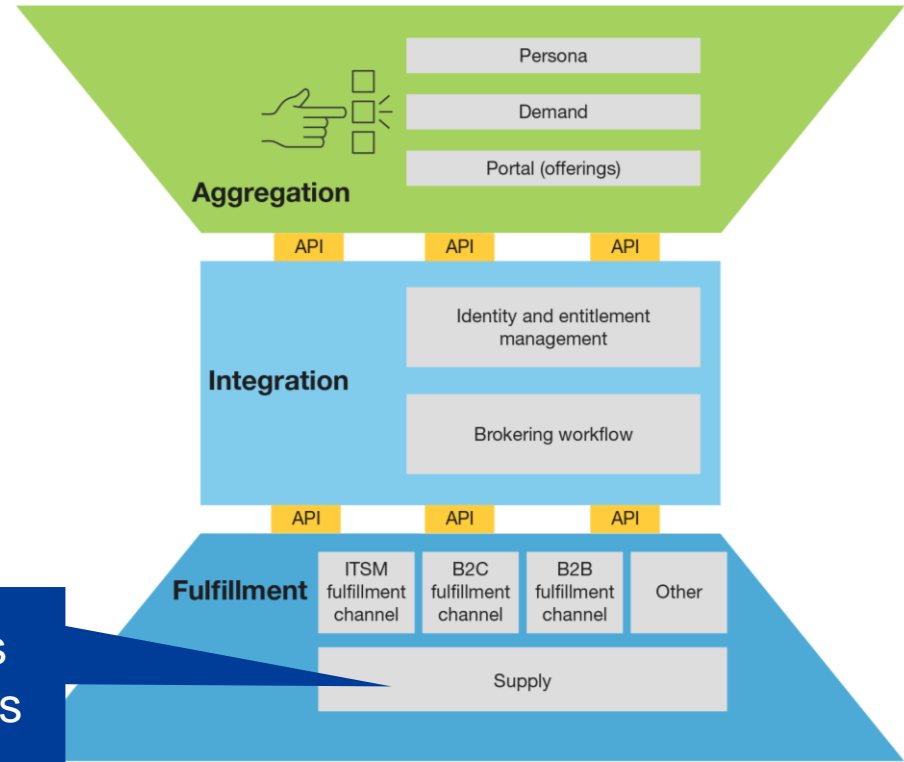EIM (analytics, knowledge, data governance etc) (10%)

Platform admin & integration (10%)

ITOM

ESM Conceptual Architecture

› Service accessibility

› Service fulfillment consistency, speed, and transparency

› Flexible service configuration

› Core IT service management

- Strategic digital services
- Workflow-based services
- External services

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What we learned

› ESM is an organic, bottom-up, emergent market

› ESM is a fast moving space, with much innovation. It is not "commodity."

https://www.flickr.com/photos/sincorcare/8053764304, commercial use permitted

What we learned (2)

› Low/no-code suites are getting strong

- ServiceNow is covered in our relevant low-code Wave and presents well against Appian, Mendix et al.
- All have some level of general-purpose capabilities

› CIO positioning is a strength and a weakness

- Never framed as a "rogue" or "shadow" system – important "moat"
- But challenges in selling to rest of C-Suite

› Product strategies are evolving

- Focus on platform?
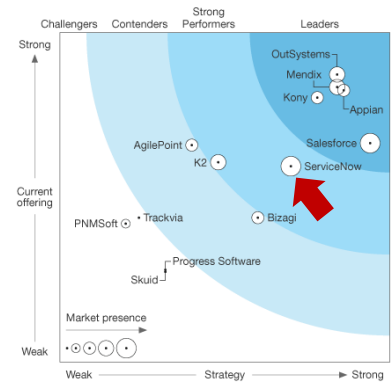- Focus on non-IT modules?
- Focus on re-usable workflows?

Figure 4: Forrester Wave™: Low-Code Development Platforms For AD&D Pros, Q4 '17
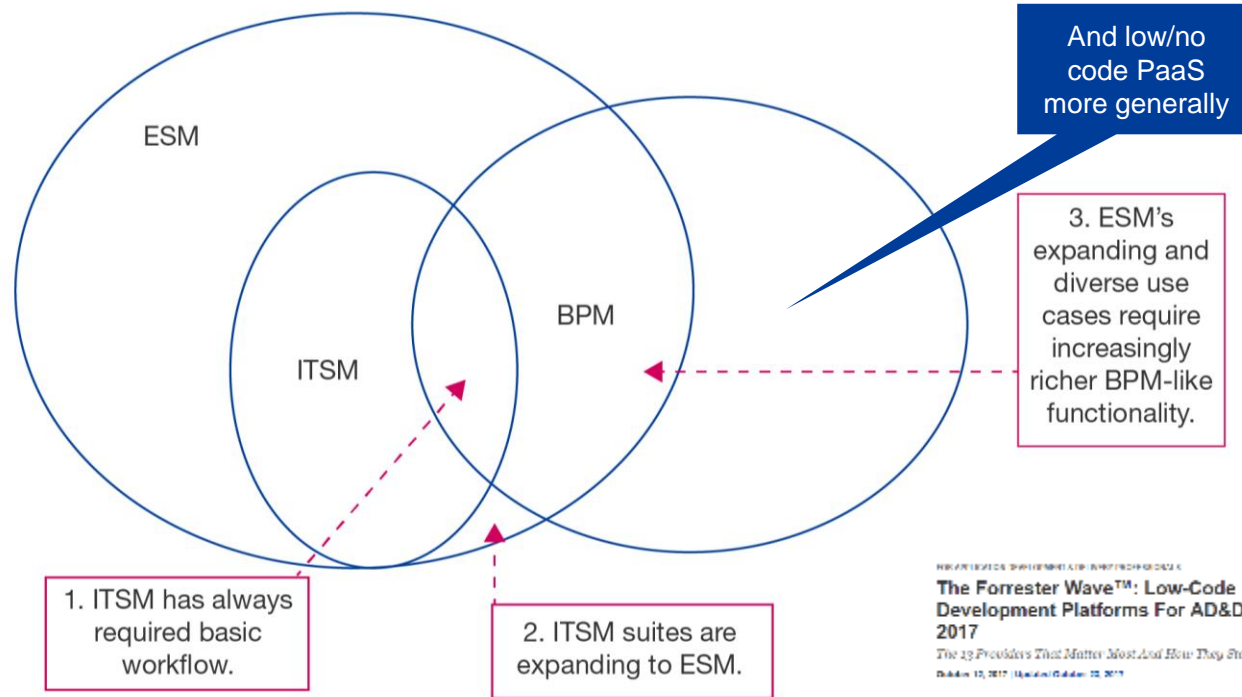
Advanced analytics and agents (CogOps)

Process area	Before	After
Request	Available services hidden. Mis-routing, lack of value realization	Portals with chatbots reduce friction, left shift support to Tier 0 (automated)
Incident	Lack of learning Mis-routing	Incidents routed to best resolution faster
Change	Subjective and static change risk assessment	Dynamic change risk assessment.

Specific value varies by process area

As ITSM Expands Into ESM, It Encroaches On BPM

ESM

ITSM

BPM

And low/no code PaaS more generally

3. ESM's expanding and diverse use cases require increasingly richer BPM-like functionality.

1. ITSM has always required basic workflow.

2. ITSM suites are expanding to ESM.

The Forrester Wave™: Low-Code Development Platforms For AD&D Pros, Q4 2017
The 13 Providers That Matter Most And How They Stack Up

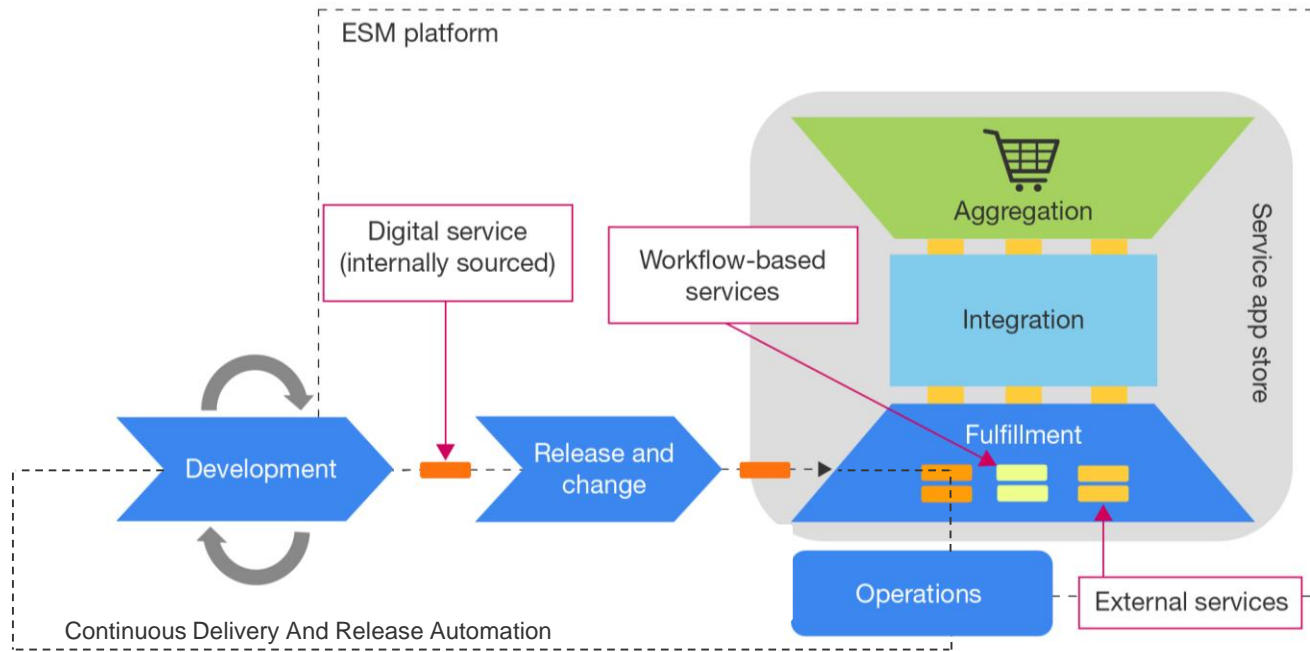137121   Source: Forrester Research, Inc. Unauthorized reproduction, citation, or distribution prohibited.

What is the relationship between DevOps and ESM?

› DevOps is a harbinger of where the REST of work needs to go

› Fast flow

› Continuous learning

› Collaborative

› Relentlessly automated, but people are NOT replaced … the sociotechnical system as a whole becomes more capable … because the competition demands it.
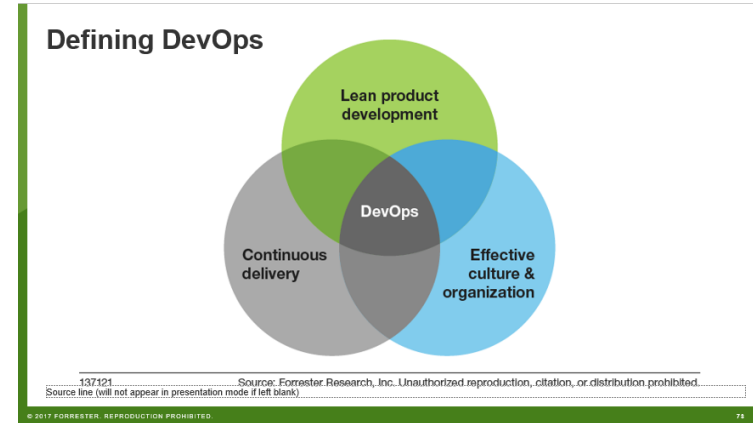
ESM covers the entire digital pipeline

137121   Source: Forrester Research, Inc. Unauthorized reproduction, citation, or distribution prohibited.

Looking forward

Enterprise Service Management?

It's a business problem.

› The modern enterprise is a services enterprise.

› The digitally transforming customer requires an increasingly broad, digitally transformed workforce

› Services work is invisible while in progress and managing it is difficult

  • Are you thinking in terms of queues?

… one Fortune 500 food products company uses an ESM tool for a wide variety of business use cases and support, and it plans to transform 450 processes based on technologies such as shared email boxes. It notes that this massive expansion of the common service desk has already had positive network effects: "Our frontline workers' focus became very broad, and they are now enormous assets to the enterprise."

"ServiceNow wraps around the parts of ERP that are missing – those systems don't have request management…"
"…Our General Counsel's office is able to complete contracts in under 5 days now. They were taking 2-3 weeks before they onboarded to our ESM system"

Link Alander, CIO, Lone Star University System

It's a platform problem.

› Who determines what technologies serve what needs in your organization?

› Possibly your Enterprise Architects. Are they on board?

› Do you have problems with shared email boxes? Broken Sharepoint workflows? Obsolete Lotus Notes/Domino?

› Automation is data hungry.

- Machine learning dies in the silo.
- Are you ready for cognitive operations? It wants to learn from ALL your services work.

The Future of Work

› As software eats the world, and we automate MOST of the things (not all), what does the remaining work for people look like?

› More variable

- Input/outputs less standardized: "it's all just work"
- Arrival rate less predictable
- Unplanned work (e.g. incidents) increase and becomes more variable of outcome

› Higher touch

› More collaborative

› More generalized

› Operations starts to look more and more like R&D

The ESM moonshot

› The problem of "invisible work in progress" is still big for ALL knowledge-based companies

› This is ESM's strategic justification

› Applying real math and analytics to an integrated view of enterprise service queues

› Heatmapping queue spikes, real time demand management, greater agility @ top of the house in theory

› ESM has the data…

Recap
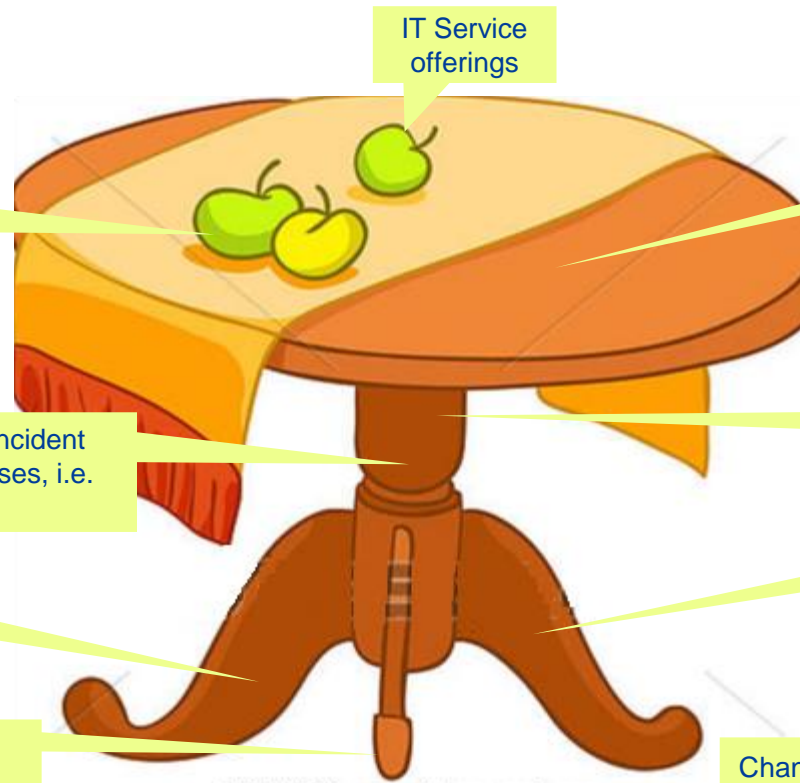
IT Service offerings

Service portal
Local & federated

Enterprise Service offerings

Workflows

Portfolio/Release/Change/Incident (fundamental control processes, i.e. meta-processes)

Low/no code
(disruption of that market)

CIO sponsorship
(not "rogue" or "shadow")

EX expectations
(consumerization)

Changing nature of work
- Easy stuff automated
- What's left is more variable & harder
- DevOps (R&D) and high touch service
- Bell curves -> long tails & black swans

Visible -> Invisible work in process
    (ERP for IT)
Specialization -> Collaboration
End of Taylorism -> Rise of the knowledge worker

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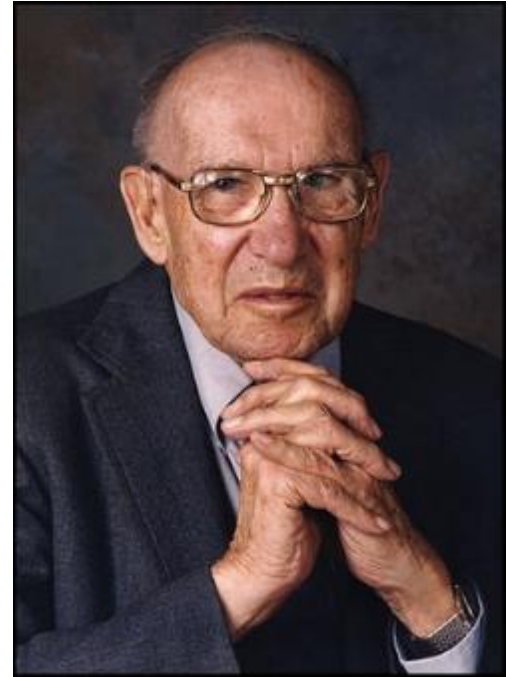cbetz@forrester.com

Thank you

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ITSM vs CDRA Change Risk Assessment

ITSM	CDRA
• User scoring (subjective) • Inferred from configuration item (e.g. high value service dependency) • Track record of similar changes • Track record of team • Stability/history of service	• Commit history • Build history • Deploy history (e.g. in lower environments) • Retries • Static analysis • Dependency analysis • Schedule adherence

Both markets increasingly applying AI.
Forrester recommends strong integration of these capabilities.

Digital = the rise of the knowledge worker

The most important contribution of management in the 21st century will be to increase knowledge worker productivity... So far, almost no one has addressed it.

Peter F. Drucker, 1999