The AXELOS ITSM Benchmarking Report 2022

ITIL®

Benchmark report

AXELOS

Contents

In Q4 2021, AXELOS and ITSM.tools ran an IT service management (ITSM) Benchmarking survey to understand where organizations are with ITSM adoption and associated areas. The survey used ITIL 4 terminology throughout, but the survey respondents might use other ITSM best practice guidance sources, or none at all. This report presents the results of this survey.

1 Summary findings

The ITSM Benchmarking survey established the following insights.

- Half of organizations (48%) feel that their ITSM capabilities are "great" or "good", one quarter (27%) feel that they are "getting there", and another quarter (22%) feel that they have "still much to improve upon".
- The "lack of buy-in from senior management" was most stated as the primary obstacle to ITSM success, with "ITSM does not have enough influence" placing second.
- Less than half of organizations (46%) think their ITSM tools are "great", while one quarter (24%) want to replace theirs. Surprisingly, 11% of respondents stated that they don't have an ITSM tool.
- Service desk and incident management were the ITSM capabilities that scored highest in terms of "working well", at 46% and 44% respectively. Knowledge management scored lowest, and 80% of organizations that have adopted knowledge feel they need to improve it.
- Online and video-based training were the primary learning and development opportunities for two thirds (69%) of survey respondents. 5% of respondents stated they had no learning and development in 2021.
- ITIL 4 was by far the predominant development area for survey respondents at 63%, with earlier ITIL versions accounting for another 7%.
- Half of respondents (48%) thought they needed to become more specialist, versus 37% who needed to become more generalist.
- 29% of organizations thought they had mapped enough of their services to business outcomes, while 38% were "working on it". However, these results show little accomplishment compared to a 2018 survey, likely due to lacking commitment, capability or capacity.
- Two-thirds of organizations (67%) understand the need to deliver a better employee experience, with another 18% expected to in 2022. Only 9% of respondents thought their organizations would never see the need to improve employee experience.
- 70% of organizations had either already started with enterprise service management initiatives, or planned to do so. 22% of organizations had no plans for it.
- Half of organizations (54%) classed their digital transformation achievements as "great" or "good". 22% of organizations have struggled with digital transformation. Only 2% of organizations hadn't started their digital transformation activities or had no plans.
- 71% of respondents believed that AI or intelligent automation will improve employee and customer satisfaction, with only 22% thinking it will not.

The main body of this report provides greater detail for the above, plus insights into the difference ITSM success makes to these "average organization" figures.

2 ITSM adoption

The level of ITSM success

As established above, the survey found that half of organizations (48%) feel that their ITSM capabilities are "great" or "good". This view is their rating of overall ITSM success, with greater process- and practice-level detail sought in a later question.

Additionally, one quarter of organizations (27%) feel they are "getting there", and another quarter (22%) responded that they have "still much to improve upon" (Table 1). This demonstrates there is roughly a 50:50 split between ITSM success and the need for improvement to achieve a suitable level of ITSM maturity.

Table 1. How would you rate your organization's current level of ITSM success?

Response	Percentage
Great	12%
Good	36%
We're getting there	27%
We've still much to improve upon	22%
Don't know/not applicable	3%

This data is used for the correlations used throughout the rest of this report.

Key ITSM challenges

So what's stopping, or slowing down, either ITSM adoption success or the needed improvement in organizations?

The benchmarking survey offered some possible challenges, with the respondent choices shown in Figure 1 below. The lack of buy-in from senior management continues to be the primary obstacle to ITSM success, with this similar to the second-paced "ITSM does not have enough influence".

After this, the middle of Figure 1 is filled with people-and-process-related challenges, but it's interesting to see that the ITSM tool is rarely the key challenge. It might be a contributing factor though, for example in the third-placed "inefficient work practices".

The "lack of buy-in from senior management" challenge was commonly significant across all four levels of ITSM success, as was "inefficient work practices" for all bar those organizations reporting "great" ITSM success. Both "poor communication" and "lacking the right people" were significant key challenges for the organizations reporting "great" or "good" success, but they were not for the "we're getting there" and "we've still much to improve upon" response groups. This finding is likely a sign of operational maturity influencing what harms an organization the most.

The organizations with "still much to improve upon" had three key challenges that accounted for close to two thirds of responses: "ITSM does not have enough influence"; "lack of buy-in from senior management"; and "inefficient work practices". The organizations that are "getting there" also had these three challenges, with "unrealistic budgets and resources" and "changing scope/expectations" also making up over 70% of responses.

Figure 1. What key challenge have you seen with ITSM success and improvement?

ITSM tools

Given that the "lack of effective tools" was not the key challenge for most organizations (only 4%), a question focused on its primary ITSM tool offered interesting insights into how organizations feel about their tools (Table 2).

Table 2. How do you feel about your organization's primary ITSM tool?

Response	Percentage
It's great, we've used it for years	28%
It's great, it's less than two years old	18%
Undecided	19%
We are replacing it (now or soon)	15%
We'll replace it when we can	9%
We don't have an ITSM tool	11%
Don't know	1%

Less than half of organizations (46%) think their ITSM tools are "great", while one quarter (24%) want to replace theirs. This finding supports the level of ITSM tool churn seen by the industry over the last two decades. Surprisingly, 11% of respondents stated that they don't have an ITSM tool.

The organizations reporting "great" ITSM success were not only happier with their ITSM tool, but they were also at least twice as likely to have used it for more than two years. These organizations all have an ITSM tool, whereas the organizations not reporting ITSM success make up the majority of organizations either without an ITSM tool or planning on replacing their ITSM tool soon.

ITSM capability success

One of the most insightful questions in the survey asked where organizations were with specific ITSM capabilities (Figure 2), across the following options:

- working well
- needs improving
- will add
- considering
- can't afford
- not needed
- don't know.

As expected, service desk and incident management were the ITSM capabilities that scored highest, with 46% and 44% "working well" respectively. However, these are the only two ITSM capabilities that scored in the forties, with only service request management (33%) and change enablement (30%) scoring in the thirties. The last place of knowledge management was probably the most interesting insight given its importance to many aspects of ITSM, from process enablement through self-service to artificial intelligence (AI)-enabled capabilities.

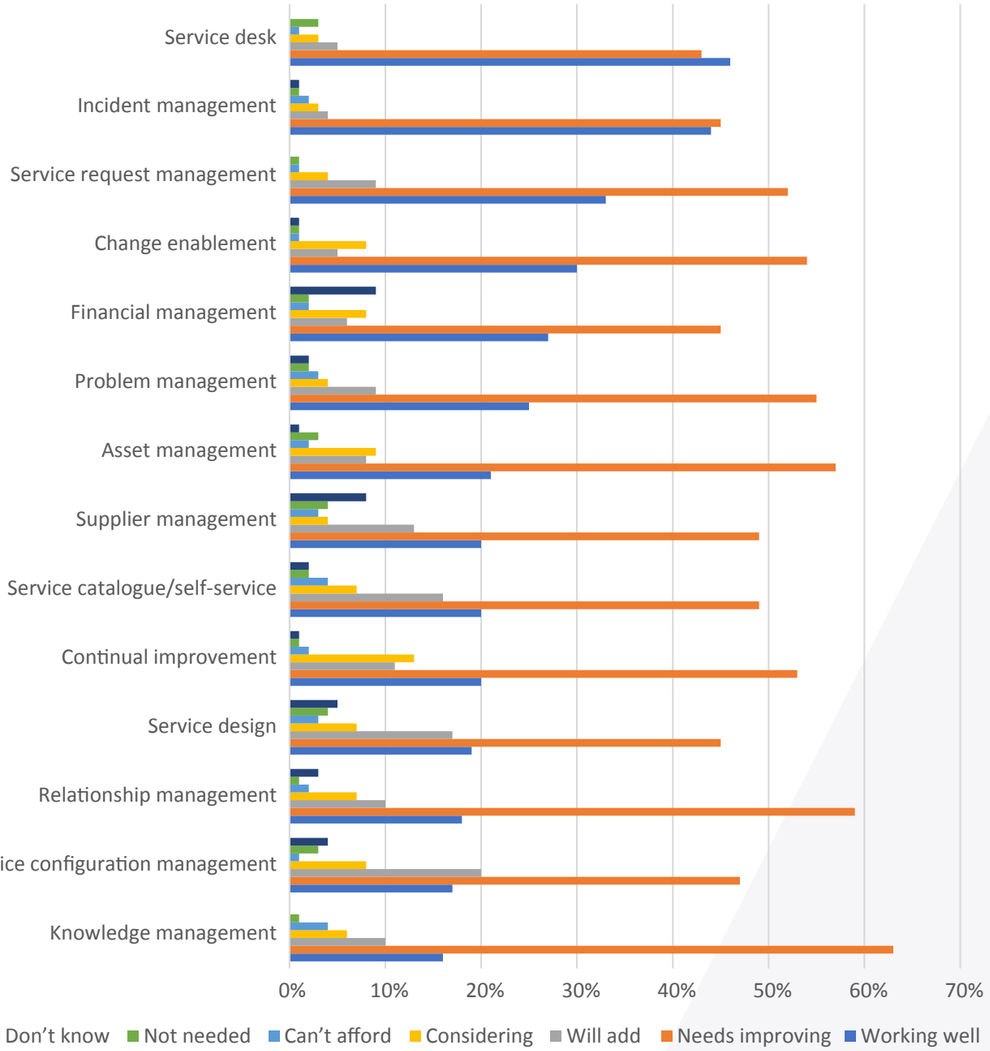

Figure 2. Describe your organization's current capabilities with the following ITSM practices

Looking at the relative scoring based on whether capabilities have been adopted in Table 3 (and therefore removing any bias for the capabilities with lower levels of adoption) shows that the adoption levels are all relatively high and in line with the previous table's "working well" ranking bar. Financial management scores at 72%, so it's higher placed, while knowledge management (79%) and relationship management (77%) are both lower placed.

Table 3. Relative scoring based on adoption of capabilities

Practice	Adoption level	Working well	Needs improving
Service desk	89%	52%	48%
Incident management	89%	49%	51%
Service request management	85%	39%	61%
Change enablement	84%	36%	64%
Problem management	80%	31%	69%
Knowledge management	79%	20%	80%
Asset management	78%	27%	73%
Relationship management	77%	23%	77%
Continual improvement	73%	27%	73%
Financial management	72%	38%	63%
Service catalogue/self-service	69%	29%	71%
Supplier management	69%	29%	71%
Service design	64%	30%	70%
Service configuration management	64%	27%	73%

This view makes each capability's relative level of success more obvious by removing the organizations that currently don't use it. For example, 80% of the organizations that have adopted knowledge management stated that it needs improving. In this state, these revised capability-level success percentages should be pretty scary reading for ITSM training and tool providers. However, they might offer reassurance to those organizations struggling or yet to adopt specific capabilities, in that they are not alone.

Unsurprisingly, the organizations with "great" ITSM success consistently also had the highest level of capabilities "working well" across all of incident management, change enablement, problem management, knowledge management, asset management, and service catalogue management/self-service. This level shrinks as the level of ITSM success decreases.

Two significant insights were that the organizations with "great" ITSM success were more than twice as likely to:

- have their asset management capabilities "working well" (plus they're the only group where all the organizations have the capability)
- have their change enablement capabilities working well.

3 Personal development

Learning and development methods
Unsurprisingly, due to the global pandemic, online and video-based training were the primary learning and development opportunities for two-thirds of survey respondents (69%), with classroom-based training accounting for somewhere between 5-9% (given that some experiential workshops may have been non-virtual) (Figure 3).

Worryingly, 5% of respondents stated they had no learning and development planned for 2021. The reason for this is unknown based on the collected survey data.

The organizations reporting "great" ITSM success were the most likely to be using both video-based self-learning and classroom-based training, while the respondents working in organizations with "still much to improve upon" were the most likely to have nothing planned by way of learning and development.

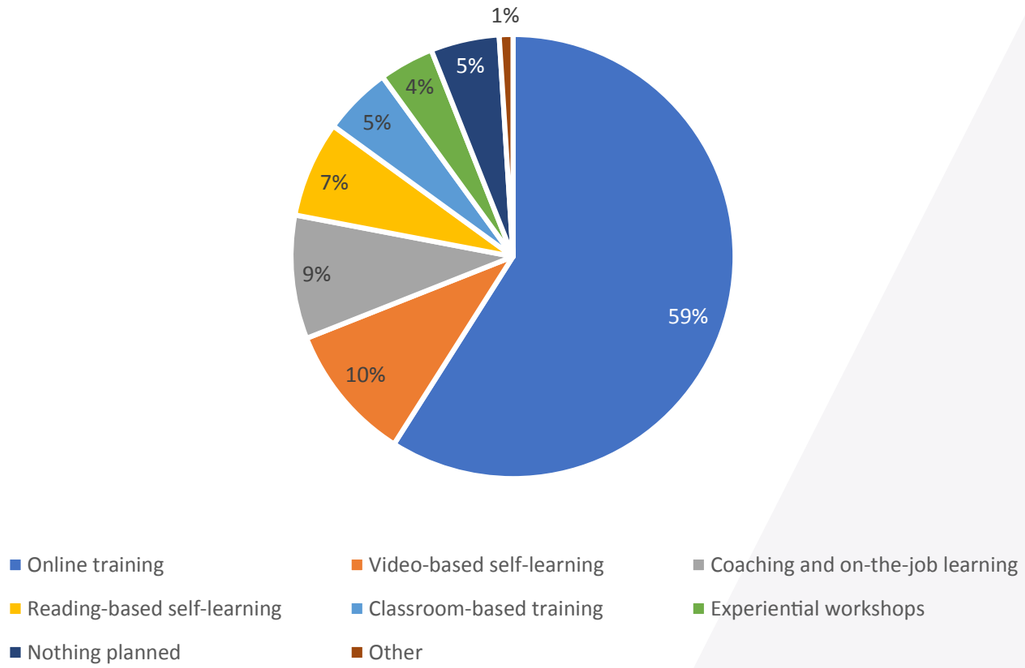

Figure 3. What were your primary learning and development opportunities for 2021?

4 Development areas

In terms of development (and unsurprising given the ITSM bias and the survey's promotional mechanisms) ITIL 4 was by far the predominant development area for survey respondents, at 63%, with earlier ITIL versions accounting for another 7% (Table 4).

The respondents working in organizations that reported "great" ITSM success were the least likely to have ITIL 4 as their primary development need. This is likely due to ITIL 4 training having already been undertaken, with the highest levels of Agile and COBIT in the sample making up a third of responses here. The respondents working in organizations that reported "still much to improve upon" had the highest level of ITIL 4 interest.

Table 4. Which of the following development areas applies most to you?

Response	Percentage
ITIL 4	63%
Agile	11%
Project management	9%
ITIL v3 or earlier versions	7%
DevOps	3%
COBIT	2%
Process improvement	2%
VeriSM	1%
IT4IT	1%
Lean	0%

Specialism versus generalism
Regarding how respondents saw their future development, 48% thought they needed to become more specialist versus 37% who thought they needed to become more generalist (Table 5).

In many ways, this reflects the diverse nature of ITSM roles and the potential career options, even for a single role. For example, someone in an IT service desk role might see that as a route to being a generalist, who knows a lot about how technology enables business operations and the business operations themselves. Another IT service desk team member might see it as a route to being a specialist, focusing on a given technology or business capability in a future role. The survey data could also be viewed from different perspectives, for example a service management generalist using their expertise in various business functions might be seen as a service management specialist when doing so.

Digging deeper into the data, the respondents working in organizations that reported "great" ITSM success were more likely to think they need to be more specialist in the future, with this over 5 times the level of the "more generalist" responses. For the groups responding "good", "getting there" and "still much to improve upon", the specialist–generalist split is roughly 50:50.

Table 5. To be successful in the future, what do you need to be?

Response	Percentage
More specialist	48%
More generalist	37%
Neither	11%
Don't know/not applicable	5%

5 Alignment with ITSM trends

The ITSM industry is always awash with trends. Some trends come and go, while others might stay for years, reflecting the time needed for new ideas to gain traction in ITSM thinking and operations.

Five of the key industry trends at the end of 2021 were:

- value
- employee experience
- enterprise service management
- digital transformation
- artificial intelligence (AI).

Value

The value of a given IT service or ITSM capabilities is subjective, with different stakeholder groups and the individuals within them likely having different perspectives on what constitutes value. Appreciating this, rather than trying to understand how IT organizations view value, the survey asked about how their organization's services support business operations and success.

As shown in Figure 4 below, 29% of respondent organizations had mapped enough of their services to business outcomes, 38% were working on it, and 24% knew how a few services linked to business operations. Digging deeper into the data, the organizations reporting "great" ITSM success were far more likely to have all their services mapped to business outcomes.

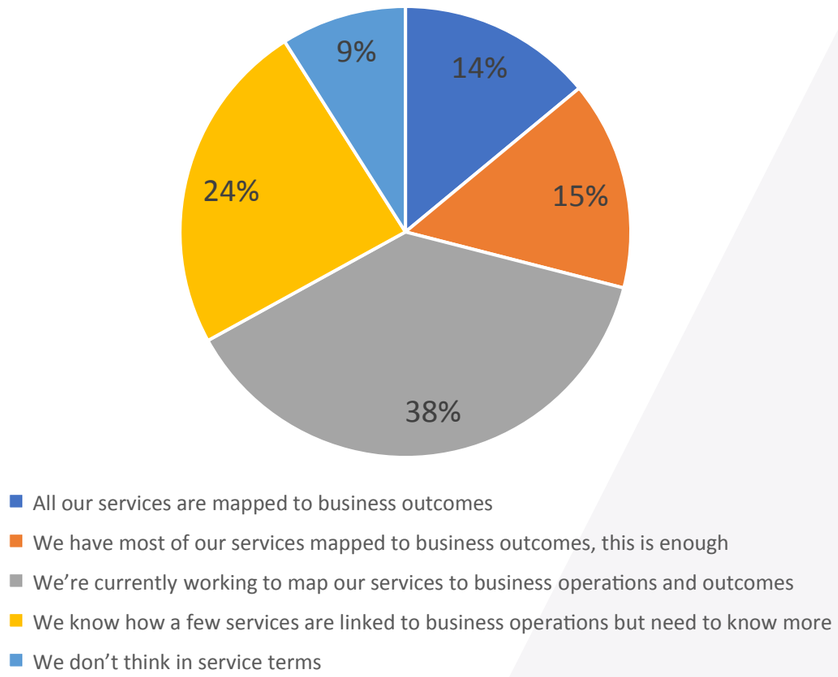

Figure 4. Does your team understand how its services support business operations and success?

The above might seem positive, but it needs to be understood relative to the results of a 2018 ITSM.tools value-based survey (Table 6). Comparing the results shows little accomplishment across the three-year timespan. For example, given the level of respondent organizations "working to map services" in 2018, far more organizations should now have their services mapped to business outcomes. As shown below, the "all and most services" was at 29% in 2021 but 38% in 2018, suggesting ***more*** organizations are working on mapping services rather that the fewer that would be expected three years later.

Based on these figures, it is likely that while organizations can see the need to understand, communicate and create business value, they lack one or more of the commitment, capability and capacity to do so.

Table 6. Mapping services to business outcomes. Comparing 2018 to 2021 surveys

Response	2018	2021	Delta
All our services are mapped to business outcomes	13%	14%	+1%
We have most of our services mapped to business outcomes, this is enough	25%	15%	-10%
We're currently working to map our services to business operations and outcomes	31%	38%	+7%
We know how a few services are linked to business operations but need to know more	25%	24%	-1%
We don't think in service terms	5%	9%	+4%

Employee experience

Employee experience, like value, is an ITSM trend that has been on the rise for over half a decade (Figure 5). Two thirds of survey respondents (67%) stated that their organizations understand the need to deliver a better employee experience, with another 18% expecting them to in 2022. Only 9% thought that their organizations would never see the need for improving employee experience.

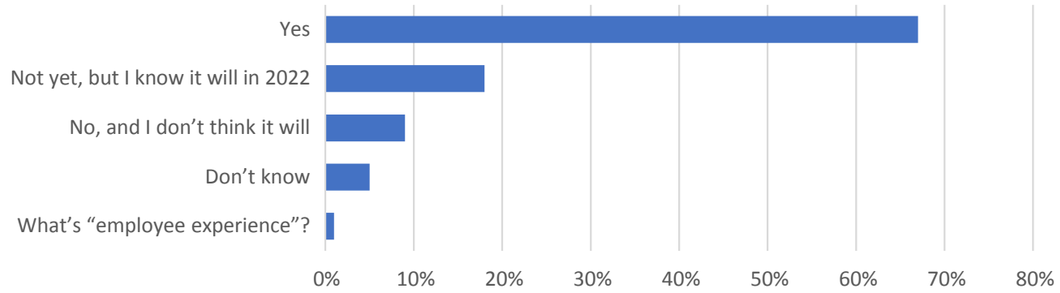

Figure 5. Does your IT organization understand the need to deliver a better employee experience?

The organizations that reported "great" or "good" ITSM success were more likely to understand the need to deliver a better employee experience. In contrast, the organizations with "still much to improve upon" were the most likely to not see the need.

When the 2021 data is compared to the results of a 2019 ITSM.tools survey, the growth in employee experience interest is noticeable (Table 7). The "yes" responses jump from 48% to 67%, with reductions seen in both the "not yet" and "no" responses.

Table 7. Comparing 2019 to 2021 employee interest in their employment experience

Response	2019	2021	Delta
Yes	48%	67%	+19%
Not yet, but I know it will in 2022*	26%	18%	-8%
No, and I don't think it will	18%	9%	-9%
Don't know	6%	5%	-1%
What's "employee experience"?	1%	1%	0%

* Note: the 2019 survey option was "Not yet, but I know it will before 2021"

Enterprise service management

The use of ITSM capabilities by other business functions to improve their operations and outcomes – enterprise service management – is an industry trend that started slowly over a decade ago, but rapidly gained momentum in the middle of the ten years.

This survey found that 70% of organizations had either already started with enterprise service management initiatives or planned to do so (Table 8). 22% of organizations had no plans for it.

Table 8. Does your organization have an enterprise service management strategy or approach?

Response	Percentage
Yes, and we're well advanced with it	17%
Yes, but we're still in the early stages	34%
No, but we're planning to	19%
No, and there are no plans to	22%
Don't know	8%
What's "enterprise service management"?	1%

The organizations that reported "great" ITSM success were the most likely to have advanced enterprise service management success, and over 90% of these organizations had in-flight initiatives. And the largest organizations (5000+ employees) were the most likely to have an in-flight ESM strategy.

The same question was asked in the AXELOS "The Current State of Enterprise Service Management and Digital Transformation" survey in Q1 2021. Table 9 compares the results of these surveys.

There are some significant differences here, and these are best considered by focusing on the increase in "no plans" responses from 11% to 22%. The most likely cause of this (and the other variations) is the different respondent sample and survey bias, with an enterprise service management survey more likely to elicit responses from organizations interested in enterprise service management than one focused on broader ITSM areas.

Another possible cause is that the term "enterprise service management" is not universally recognized. The analysis of the survey responses related to the use of specific ITSM tool capabilities across the organization highlighted that two thirds of organizations (69%) are using at least one of their ITSM tool's digital workflow capabilities, knowledge management capabilities, self-service portal, mobile app or platform app-creation capabilities in multiple business functions. When the respondents who responded "no, but we're planning to" are removed, this figure is still 57% of organizations sharing their ITSM capabilities versus the 51% that stated they did enterprise service management.

Table 9. Does your organization have an enterprise service management approach (Q1 2021 vs Q4 2021)

Response	2021 Q1	2021 Q4	Delta
Yes, and we're well advanced with it	37%	17%	-20%
Yes, but we're still in the early stages	30%	34%	+4%
No, but we're planning to	12%	19%	+7%
No, and there are no plans to	11%	22%	+11%
Don't know	6%	8%	+2%
What's "enterprise service management"?	4%	1%	-3%

Digital transformation

Digital transformation is another trend, albeit business rather than ITSM related, that started slowly. This time the traction was ramped up by the global pandemic and the need to enable remote working through digital workflows and other technology-based capabilities.

Digital transformation success

The survey found that just over half of organizations (54%) had done sufficiently well to class their digital transformation achievements as at least "good". 22% of organizations had struggled, although the survey didn't delve into the "whys" and "hows". Only 2% of organizations hadn't started their digital transformation activities or had no plans (Figure 6).

57% of the organizations that reported "great" ITSM success also reported their digital transformation achievements as "great". The next closest was the "good" ITSM success organizations at 8%, but they were at 58% for "good" digital transformation. The other two groups of organizations reported the highest levels of "we've struggled" with digital transformation.

Shared ITSM tool capabilities

The corporate ITSM tool can be used to assist other business functions with their digital enablement needs, from the provision of workflow automation capabilities, additional capabilities such as self-service and chatbots, and analytics and reporting. This enablement might be part of an enterprise service management strategy or digital transformation initiative, especially where the ITSM tool offers platform-based capabilities, not just the extension of core ITSM capabilities to other business functions.

When the use of specific ITSM tool capabilities was questioned, the self-service portal was the most shared at 46% of organizations, followed by digital workflows at 40%. Interestingly, when the source data was analysed, two thirds of organizations (69%) had shared at least one ITSM tool capability with other business functions (Figure 7).

Digging deeper into the data, 86% of the organizations with "great" ITSM success had shared their ITSM tool's digital workflow capabilities with other business functions, close to twice that of the "good" group. 83% of the organizations with "great" ITSM success had shared their ITSM tool's self-service portal capabilities with other business functions. In contrast, the lowest level of self-service portal sharing was for organizations with "we've still much to improve upon" at one third (33%).

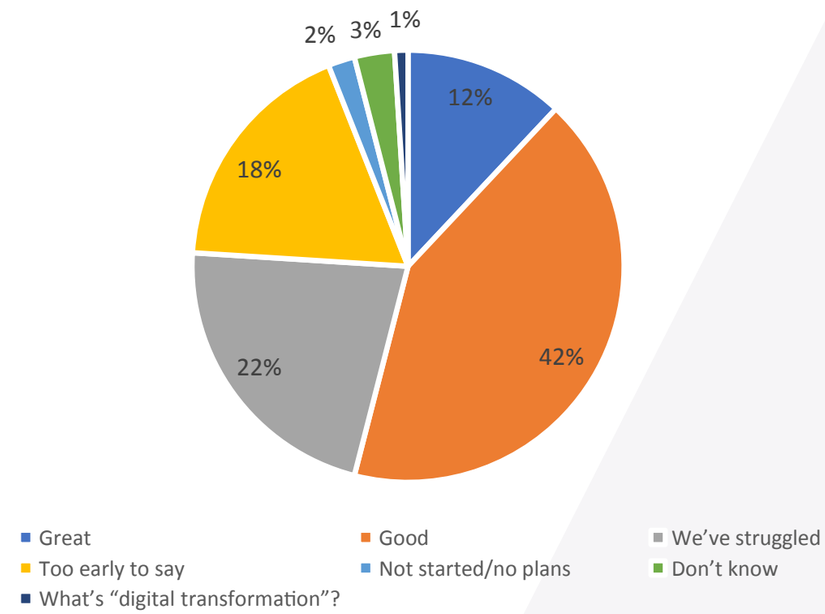

Figure 6. How would you rate your organization's digital transformation achievements to date?

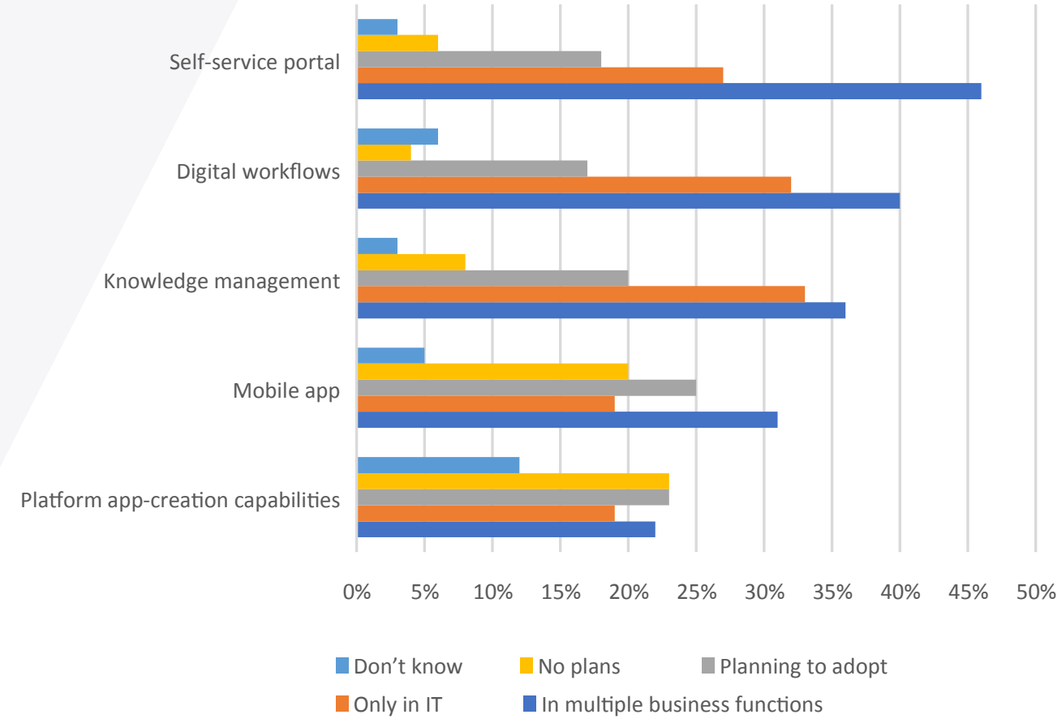

Figure 7. How are specific ITSM tool capabilities used across your organization?

Artificial intelligence (AI)

The use of AI-enabled capabilities in the form of machine learning and natural language understanding (NLU) is growing thanks to ITSM tool vendors increasingly including this "intelligent automation" in their solutions. As shown below, the survey found that 71% of respondents believed that AI or intelligent automation will improve employee and customer satisfaction, with only 22% thinking it will not (Table 10).

Table 10. Would using artificial intelligence/ intelligent automation at work improve your job and customer satisfaction?

Response	Percentage
Yes, considerably	37%
Yes, but not dramatically	34%
No	22%
Don't know	6%
What's artificial intelligence?	1%

Looking further at the data, the respondent views on intelligent automation were aligned to the level of ITSM success. Those with "great" ITSM success were far more likely to think that intelligent automation will help with job and customer satisfaction, while those with "still much to improve upon" were most likely to believe that intelligent automation won't help. The respondents in the largest organizations (5000+ and 1000–4999 employees) were most likely to think that intelligent automation will improve job and customer satisfaction.

This question was previously asked in a Q1 2021 AI-focused ITSM.tools survey, and the difference that the six-month gap made is significant (even with survey bias on the AI-focused survey) with the "yes, considerably" response jumping from 9% to 37% and the total "yes" response from 57% to 71% (Table 11).

Table 11. Comparing 2019 to 2021 responses on the effect of AI on the customer and job experience

Response	2019	2021	Delta
Yes, considerably	9%	37%	+28%
Yes, but not dramatically	48%	34%	-14%
No	39%	22%	-17%
Don't know	5%	6%	+1%
What's "artificial intelligence"?	0%	1%	+1%

6 Next steps

This ITSM Benchmark report highlights various opportunities for organizations to improve their capabilities, from the core ITSM capabilities they currently employ (or wish to use), to benefitting from the industry trends shaping the future of service management. Importantly, the increase in ITSM maturity not only increases the corporate IT capability to deliver the services and support that customers and employees need, but there are also linkages between ITSM success and other IT and business initiatives.

To help, AXELOS will continue to assist organizations in improving their ITSM and wider service management operations and outcomes, particularly through the continued evolution of ITIL, and indirectly through the provision of industry insights and tools to consultants.

AXELOS is responsible for developing, enhancing and promoting a number of best practice methodologies used globally by professionals working primarily in project, programme and portfolio management, IT service management and cyber resilience.

The methodologies, including ITIL®, PRINCE2®, PRINCE2 Agile®, MSP®, and AgileSHIFT®, are adopted in more than 200 countries to improve employees' skills, knowledge and competence in order to make both individuals and organizations work more effectively.