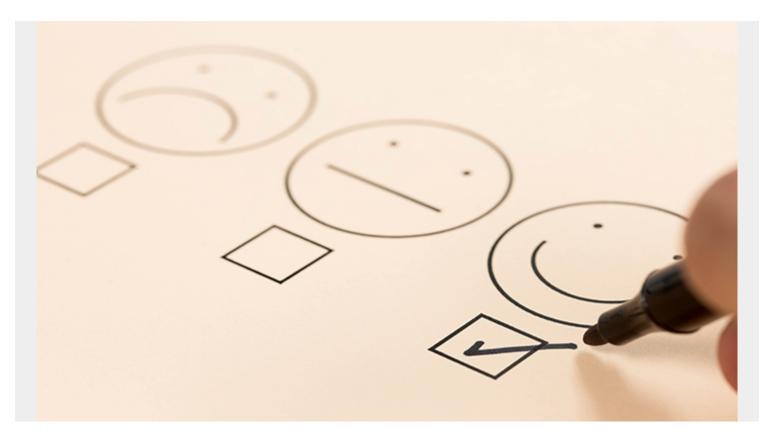# COMPETITIVE BENEFITS OF ENTERPRISE ITSM VERSUS AD-HOC ITSM

In my last post, I discussed the difference in benefits and business drivers realized between organizations employing an Enterprise Information Technology Service Management (ITSM) strategy versus organizations employing an Ad-hoc ITSM strategy. Today, let's look deeper at the differences between enterprise strategy ITSM organizations versus ad-hoc strategy organizations and uncover some other competitive benefits the former enjoys over the latter.

Defining enterprise strategy and ad-hoc strategy ITSM organizations

A recent 2017 Forbes Insights survey on The State of Information Technology Service Management (ITSM) defined what enterprise strategy ITSM and ad-hoc ITSM organizations were, and how they differed in the amount of benefits each type of organization incurs.

Twenty-four percent of the surveyed organizations ranked their ITSM efforts in the highest level category of being a competitive enterprise strategy. For these organizations, service management delivery is deployed across the entire organization (not just IT); it's built into the organization's competitive strategy, and it's deployed to both internal and external customers. Per Forbes Insights, these are enterprise strategy ITSM organizations.

The bottom 10 percent of surveyed organizations ranked their ITSM efforts as being rudimentary

and less advanced. Their ITSM efforts are newer and more likely implemented on a piecemeal or ad-hoc basis, rather than as a strategic direction for the company. These are the ad-hoc strategy ITSM organizations.

Here are some of the benefits enterprise strategy organizations enjoyed over ad-hoc strategy organizations.

Enterprise strategy ITSM organizations spend less IT staff time in ongoing maintenance and management

Summarized from Figure 8 of the Forbes Insight survey, table 1 shows a breakdown of how much IT staff time enterprise versus ad-hoc strategy ITSM organizations spend on ongoing maintenance and management.

Table 1: How much IT staff time enterprise versus ad-hoc strategy ITSM organizations spend on ongoing maintenance and management

Amount of IT staff time spent on ongoing maintenance & management	Percentage of respondents in each category		
	Enterprise ITSM organizations	**Ad-hoc ITSM organizations**	**Differential**
Less than 50% of IT staff time spent	63%	48%	+15%
More than 50% of IT staff time spent	29%	24%	+5%
Don't know/unsure how much time spent	8%	28%	-20%

A significant majority of enterprise strategy organizations spent less than 50 percent of their IT staff time on maintenance and managements versus ad-hoc strategy organizations (63 percent versus 48 percent). More enterprise organizations also spent more than 50 percent of their time on maintenance and management activities than their ad-hoc counterparts (29 percent versus 24 percent).

The other significant finding is that ad-hoc ITSM organizations were over three times as likely to not know or be unsure about how much IT staff time was spent on maintenance and management activities (28 percent for ad-hoc versus eight percent for enterprise organizations). This suggests that enterprise strategy organizations have a much clearer picture of what their management and maintenance costs are than their ad-hoc counterparts, and a greater number of enterprise organizations spend less than 50 percent of IT staff time on maintenance and management.

Enterprise strategy ITSM organizations are more aligned with the needs of their businesses

As summarized from the Forbes Insight survey in table 2, 50 percent of *all* organizations (including enterprise strategy *and* ad-hoc strategy organizations) reported that their ITSM efforts were mainly focused on delivering IT services (37 percent) or on enabling IT to effectively function as a business (13 percent). The picture brightens a little bit for business integration as 41 percent of all organizations reported that their ITSM efforts are aligned with the requirements of selected business units. But only eight percent of all organizations reported that their ITSM effort is closely aligned with

the success of their overall business.

The picture changes significantly when you look at the survey responses received from enterprise strategy organizations versus ad-hoc strategy organizations. Both organizations have a big focus on delivering IT services and allowing IT to effectively function as a business, but enterprise strategy organizations also have a heavier focus on aligning their efforts with selected business units than ad-hoc strategy organizations do (25 percent versus 20 percent). Enterprise strategy organizations are also four times more likely to consider their ITSM efforts to be closely aligned with the success of their overall business than ad-hoc strategy organizations (17 percent versus four percent).

Table 2: The state of ITSM efforts as it relates to the organization's business

State of ITSM effort as it relates to the business	Percentage of respondents in each category			
	All organizations	Enterprise ITSM organizations	Ad-hoc ITSM organizations	Differential Enterprise to Ad-hoc ITSM organizations
ITSM effort is focused on delivering IT services at this time	37%	44%	56%	-12%
ITSM effort enables IT to effectively function as a business	13%	13%	20%	-7%
ITSM effort is aligned with the requirements of selected business units	41%	25%	20%	+5%
ITSM effort is closely aligned with the success of our overall business	8%	17%	4%	+13%

Digital transformation, cloud computing, mobile computing, and big data analytics

The two trends shown above (where enterprise strategy organizations have better control of maintenance and management costs and better alignment with business needs) are amplified when discussing the major computing trends of digital transformation, cloud computing, mobile computing, and big data analytics. Summarized again from the Forbes Insights survey, table 3 shows how both types of organizations responded when asked about the importance of ITSM to critical IT initiatives.

Table 3: The importance of ITSM to IT initiatives, as reported by enterprise ITSM and ad-hoc ITSM organizations

Importance of ITSM to these IT initiatives	Percentage of respondents in each category

Importance of ITSM to these IT initiatives	Percentage of respondents in each category		
	Enterprise ITSM organizations	Ad-hoc ITSM organizations	Differential Enterprise to Ad-hoc ITSM organizations
Digital transformation	78%	4%	+74%
Cloud computing	76%	4%	+72%
Mobile computing	75%	8%	+67%
Big data analytics	79%	24%	+25%

By an overwhelming margin, many more enterprise strategy organizations than ad-hoc organizations considered ITSM to be important to these initiatives.

Your ITSM approach matters

These Forbes Insights survey findings demonstrate that treating ITSM as a strategic competitive tool for your entire organization (in addition to IT) yields more benefits than just treating it as tool for IT service delivery. Enterprise strategy organizations yield more business-related benefits than ad-hoc organizations. How you approach ITSM matters. It's worth architecting the type of ITSM organization you want to be as you implement your ITSM environment, in order to receive additional competitive benefits now and in the future.

About the Forbes Insight survey

The 2017 Forbes Insight survey focused on the state of ITSM. It surveyed 261 senior-level executives from around the world, representing organizations at various revenue levels from small (<$500 million) to large (> $5 billion), and its survey results can serve as a proxy for the state of IT and ITSM worldwide.

References

Forbes Insights. *Delivering Value to Today's Digital Enterprise: The State of IT Service Management*. Jersey City, New Jersey, United States, 2017