

ITSM ROI: IMPROVE PRODUCTIVITY, COST SAVINGS, AND COMPETITIVENESS VIA ENTERPRISE ITSM



The 2017 Forbes Insights survey on the state of Information Technology Service Management (ITSM) surveyed 261 executives from around the world, and found that 3 out of 4 executives agreed that *"...the amount of time, money, and resources spent on maintenance and management—versus new project development or new initiatives—is affecting the overall competitiveness of their organizations."* The survey also [highlighted six strategies organizations are using to reduce IT costs and increase competitiveness.](#)

ITSM as a competitive platform

One of the more interesting findings from the Forbes Insights survey was that deploying ITSM provides several additional competitive benefits in addition to reducing IT costs. When asked, *"What benefits is your organization seeing as a result of ITSM?" (figure 23)*, the surveyed organizations saw these common benefits associated with ITSM:

- 42% realized cost savings in their business processes
- 38% realized increased employee productivity
- 35% realized cost savings in IT systems
- 31% realized faster response time to customers
- 18% realized faster time to market for goods and services

The implication is that ITSM technology has a much bigger impact on competitiveness when used to deliver services outside of the IT department, as these responses indicate. Many organizations start with using ITSM just for the delivery of IT services and then progress to using their ITSM platform to deliver services for the entire enterprise.

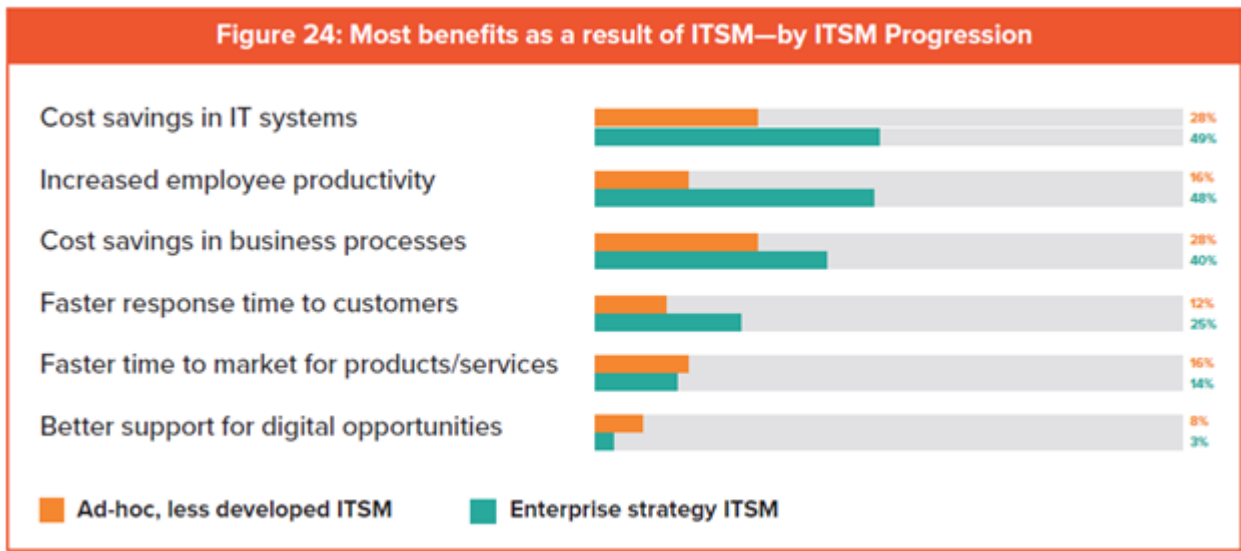
Ad hoc ITSM versus enterprise ITSM

It's also worth noting that there's a difference between organizations that have a comprehensive strategy that encompasses using ITSM for the entire enterprise, versus what the survey describes as organizations that use a more piecemeal ad-hoc approach to ITSM. As Forbes Insights puts it:

"Twenty-four percent rated their efforts in the highest-level category, meaning Service Management is deployed across their enterprise and built into their strategy going forward, well beyond the bounds of IT departments. At the opposite end of the spectrum, 10% considered their ITSM efforts to be still rudimentary".

–Forbes Insights Survey, page 5

The survey also found that organizations with more developed enterprise ITSM environments experienced greater business benefits than organizations with piecemeal ad-hoc, lesser developed ITSM environments. Here's the chart from the Forbes Insight survey that shows the difference in ITSM benefits reported by organizations that have ad hoc, less developed ITSM versus organizations that have more advanced enterprise strategy ITSM.



In 4 out of 6

areas, organizations with more advanced enterprise ITSM environments accrue more business benefits. This suggests that organizations that spend more time, money, and resources on developing a solid ITSM environment focusing on the enterprise will gain more benefits (and become more competitive) than organizations that don't treat ITSM with the same commitment. In other words, the more that you put into enterprise ITSM, the better your returns and competitive capabilities.

Still work to do

While many of these responses highlight ITSM's ability to enhance competitiveness, the survey also indicated that ITSM activities are still fragmented within many enterprises. Regarding how ITSM efforts relate to the business, 37% of the executives indicate their ITSM is mainly focused on

delivering IT services at this time, while 41% report their ITSM effort is only aligned with the requirements of selected business units. Only 8% could say that their ITSM efforts are “*closely aligned with the success of our overall business*” (page 12).

Although the findings seem to indicate a solid connection between advanced enterprise ITSM environments and competitiveness, there also seems to be more work needed for the average IT shop to move beyond piecemeal or ad hoc ITSM implementations. Using ITSM enterprise-wide can yield many competitive benefits, but it still takes time and commitment for the average shop to get there.

Lessons learned about ITSM and competitiveness

While reducing IT costs is critical in increasing competitiveness, ITSM can be used for much more than reducing costs and delivering IT services. It can also satisfy enterprise-wide objectives such as reducing business process costs, increasing productivity, and providing faster response time in producing goods and services.

The Forbes Insights survey suggests that organizations that put time and resources into moving beyond rudimentary ITSM into enterprise-wide service management can reap substantial benefits far beyond IT cost reduction. For me, the keys are:

- Treat your ITSM system as a major corporate project and asset, rather than something that's put together piecemeal, as a DIY project, or as a special project to address one concern. Assign significant time, money, and resources to developing a solid ITSM system. Don't make it a one-and-done project.
- Get the low hanging fruit of using ITSM to reduce IT costs and to speed IT service delivery first but also focus on implementing ITSM technologies to provide business services across the entire organization. This will enhance your competitiveness and leverage ITSM for the organization's betterment.
- Expect that significant returns from ITSM and enterprise service management won't come overnight. Continue to work at, refine, and expand your service management capabilities across the organization.

The big point is that the survey indicates ITSM can be a business driver, in addition to an IT service delivery platform. And that will make all the difference in the long run.

About the Forbes Insights survey

The 2017 Forbes Insights survey focused on the state of information technology service management (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.