State of ITSM and... 2026

#askitsm

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WELCOME!

ITSM Academy

- Full-service provider of IT Service Management (ITSM) education and advice
- Accredited and sustainable education and training
  - ITSM/ITIL®
  - DevOps
  - Employee Experience
  - Process Design (CPDE)
  - Lean/Value Stream Mapping
  - Agile Service Management
  - Site Reliability Engineering

Donna Knapp

- Author
- Curriculum Development Manager
- Certified Process Design Engineer
- ITIL Master
- DevOps Foundation, DOL, CDA, DSOF, DTE
- Certified Scrum Master
- Certified Agile Process Owner
- Certified Agile Service Manager
- VeriSM Foundation
- Certified in Knowledge-Centered Support (KCS) Principles
- Certified ISO/IEC 2000 Consultant/Manager

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THE CURRENT LANDSCAPE

2026 CEO Priorities

- Managing economic and geopolitical uncertainty
- Turning AI investment into measurable business value
- Building organizational resilience and strategic foresight
- Investing in talent and future-ready capabilities
- Innovating business models to drive growth and profitability

2026 CIO Priorities

- Strengthening cybersecurity, resilience, and data protection
- Delivering measurable business value from AI at scale
- Aligning technology investments tightly with enterprise strategy
- Facilitating workforce transformation
- Modernizing IT operating models to better align with business outcomes

FORMS OF OPERATING MODELS

- Project-centric operating model
- Platform-centric operating model
- Service-centric operating model
- Product-centric operating model
- Value-stream–aligned operating model
- Hybrid product–project operating model

- Large enterprises are increasingly redesigning their operating models around products, platforms, and value streams rather than projects to bring business and IT closer together (Deloitte)
- Product-centric thinking is spreading, but execution is frequently shared with platform and service models

HYBRID MODELS ARE COMMON

According to the 2024 Project to Product State of the Industry Report

- Over 50% of the work in elite and high-performing organizations is product-oriented, compared to only 25% of low performers

- Many organizations are deciding to keep pockets of project teams where it makes the most sense for their business

In 5 years, how much of your work will be product-oriented?

Legend:
- Over 80%
- Over 50%
- Over 25%
- Less than 25%
- 0%

Categories: Elite, High, Medium, Low

Source: 2024 Project to Product State of the Industry Report
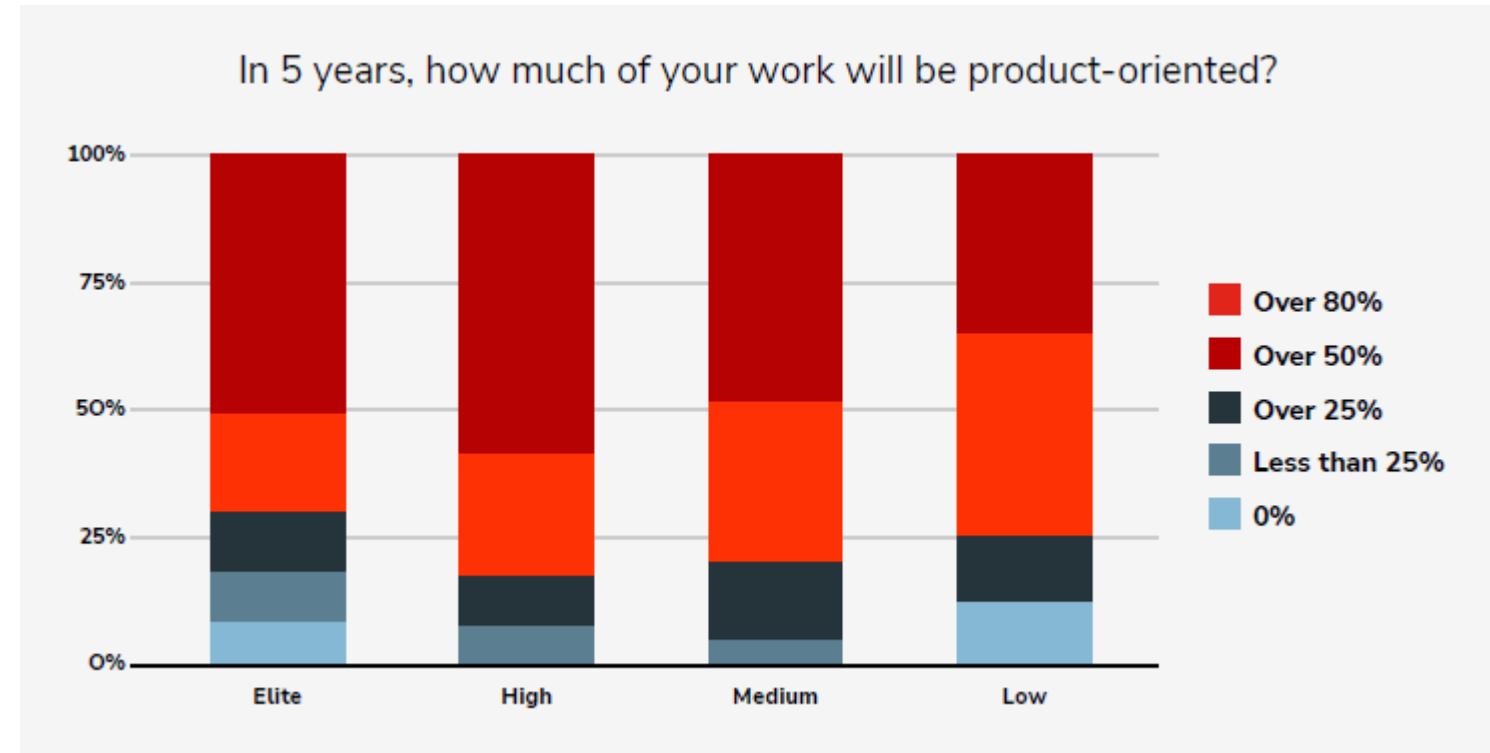
PRODUCT MANAGEMENT IS ON THE RISE

Product management and service management share many common challenges

- Proving outcomes and value vs. outputs or SLAs
- Experience expectations outweigh efficiency alone
- Overload of demand signals vs. strategic focus
- Disconnected signals make it difficult to consistently shape priorities
- Ownership confusion across product, platform, and service boundaries
- Time-to-value expectations and value stream alignment
- Pressure to adopt AI without unclear value, ethics and governance boundaries
- Tool sprawl without orchestration
- Governance and regulatory complexity
- Skills gaps in data, automation, and systems thinking

IT'S NOT EASY... BUT IT'S NECESSARY

"People are searching for flexibility—but flexibility without accountability just creates fragility. Layering new methods on broken systems just creates expensive inefficiency at scale.

The real leap forward won't come from another framework or tool. It comes from building operating models that connect strategy to execution. That means shifting from project thinking to product thinking—organizing around value streams that cross-cut traditional silos, creating metrics that tie work to business results, and putting governance in place that enables delivery instead of constraining it."

JJ Sutherland, CEO, Scrum Inc.

18th Annual State of Agile Report

SO HOW DO WE MEET THESE CHALLENGES?



The cat is out of the bag!

ITIL (VERSION 5) HAS ARRIVED!

ITIL (VERSION 5) REPRESENTS AN EVOLUTION, NOT A REVOLUTION

Digital product and service management (DPSM) is a set of specialized organizational capabilities for enabling value for customers in the form of digital products and services.

ITIL (Version 5)

- Broadens the scope of the framework to include digital product and service management

- Provides best practices for service management, IT service management, enterprise service management, product management, and experience

- Reflects the AI-driven world
  - Everything in ITIL can be enabled by AI
 - ITIL can enable AI and AI governance
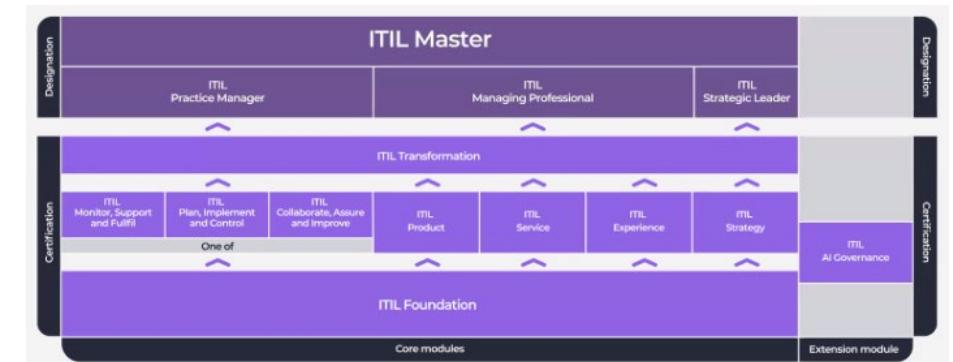
ITIL (Version 5) is practical, adaptable, backward compatible, and built to help organizations move faster, stay compliant, and deliver measurable value.

# Product + Service = One Lifecycle

- Many organizations manage products and services separately, creating gaps in delivery, reliability, and customer experience

- In reality, products and services are interdependent:
  - Products are what organizations build
  - Services are how value is delivered and supported

- Digital products and services are two sides of one solution

- ITIL (Version 5) unifies products and services into one lifecycle so teams can:
  - Design together
  - Build and launch together
  - Operate and improve together
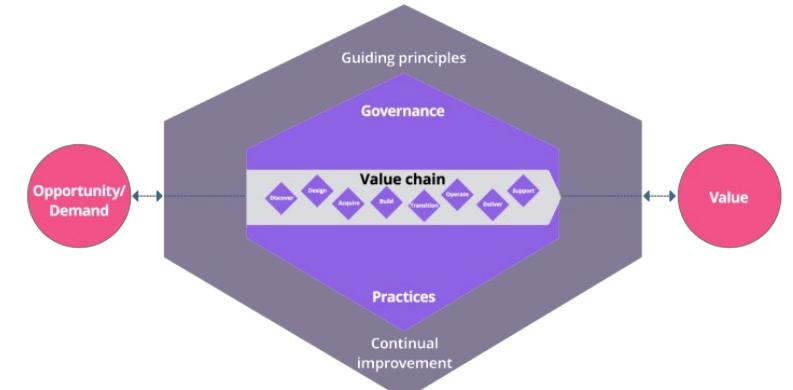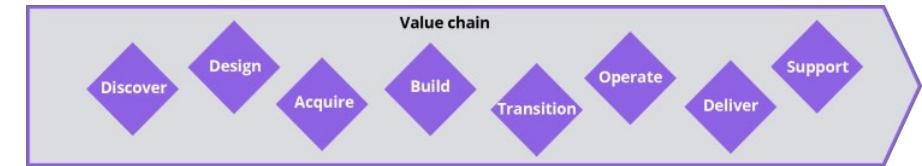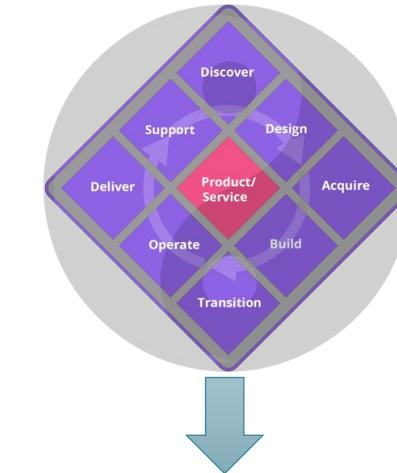
The result: faster delivery, fewer gaps, better experiences, stronger business outcomes.

ITIL (VERSION 5) QUALIFICATION SCHEME

Dates = Exam Live Date

ITIL Master

| ITIL Practice Manager | ITIL Managing Professional | ITIL Strategic Leader |

2 Day — ITIL Transformation — Apr 9 (How to Implement)

March 12 — Apr 9

| ITIL Monitor, Support and Fulfil | ITIL Plan, Implement and Control | ITIL Collaborate, Assure and Improve | ITIL Product 3 Day | ITIL Service 3 Day | ITIL Experience 3 Day | ITIL Strategy 3 Day | ITIL AI Governance |

Closed Book

Open Book — May 14

2 Day — ITIL Foundation — Feb 12 (Our first public class Feb 24)

Core modules — Extension module

ITIL (VERSION 5) MANAGING PROFESSIONAL

- ITIL Experts (v3)
- ITIL 4 Managing Professionals
- ITIL Masters

Transition = bridge
**Transformation** = How to Implement

Managing Professional **Transition** (bridge) exam: open book, case story based, Bloom 3 and 4
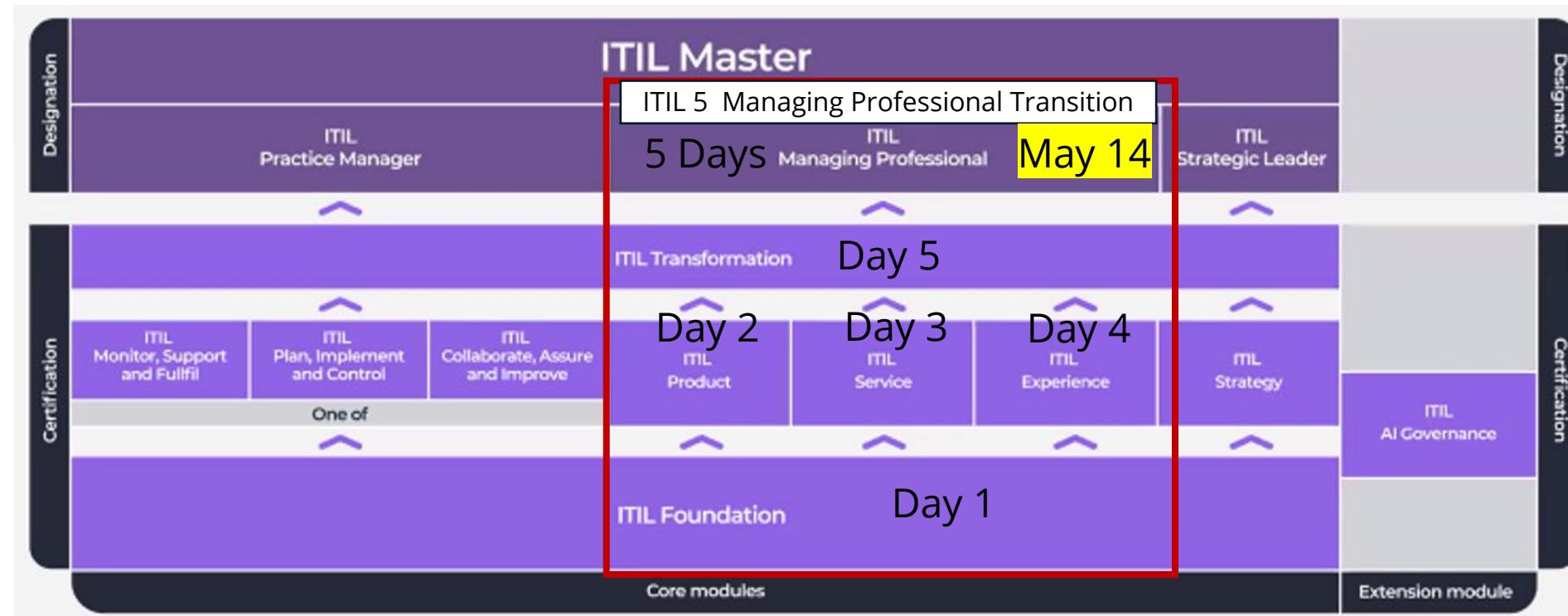
ITIL (VERSION 5) PRACTICE MANAGER / STRATEGIC LEADER

- ITIL Practice Managers
- ITIL Strategic Leaders

Transformation
exam: open book,
case story based,
Bloom 3 and 4
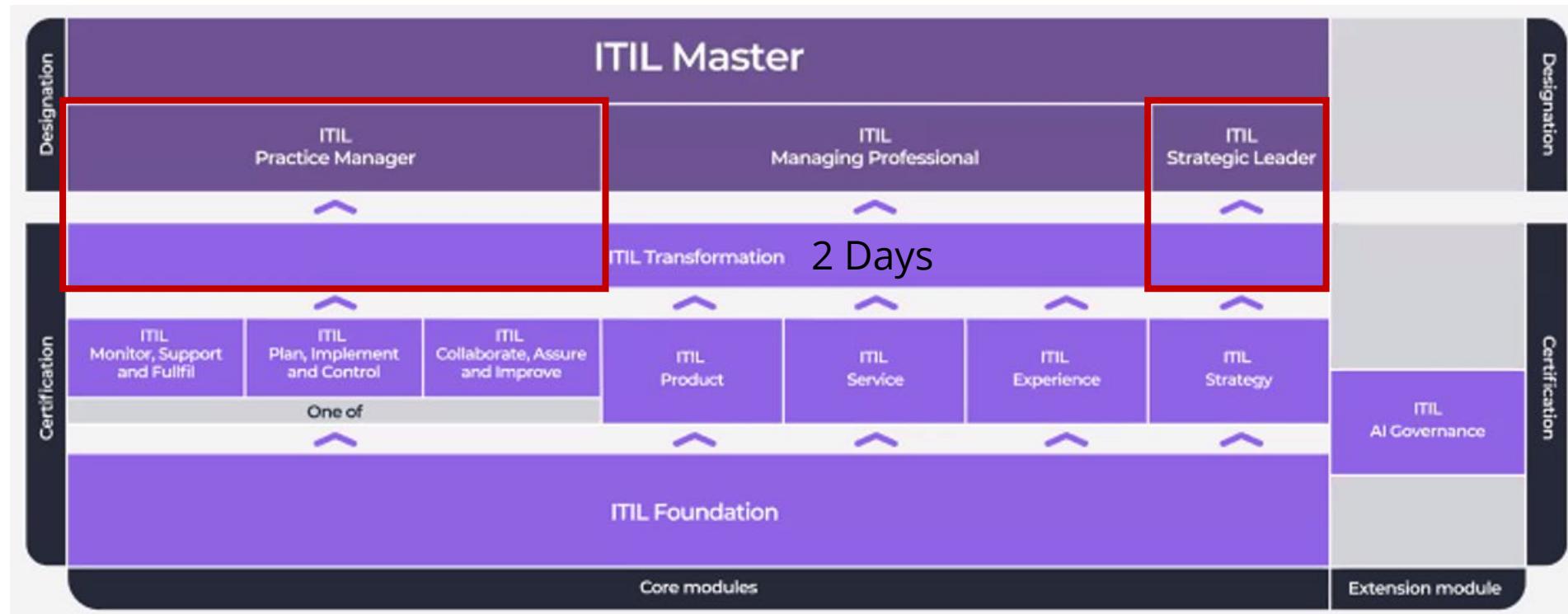
ITIL (VERSION 5)

What stays the same...

- The ITIL brand (Global Best Practices)
- Value co-creation
- The four dimensions
- The guiding principles
- The ~~service~~ value system
- The continual improvement model
- The ITIL practices
  - 2026 will bring minor updates to terminology and to address AI
- The qualification scheme designations

What's new/changed...

- Expanded scope – digital product and service management (DPSM)
- Product and service lifecycle
- ~~Service~~ Value chain
- Enhanced focus on product management and experience
- AI content throughout
- New Managing Professional and Strategic Leader certifications

The Product and Service Lifecycle Model includes eight lifecycle stages.
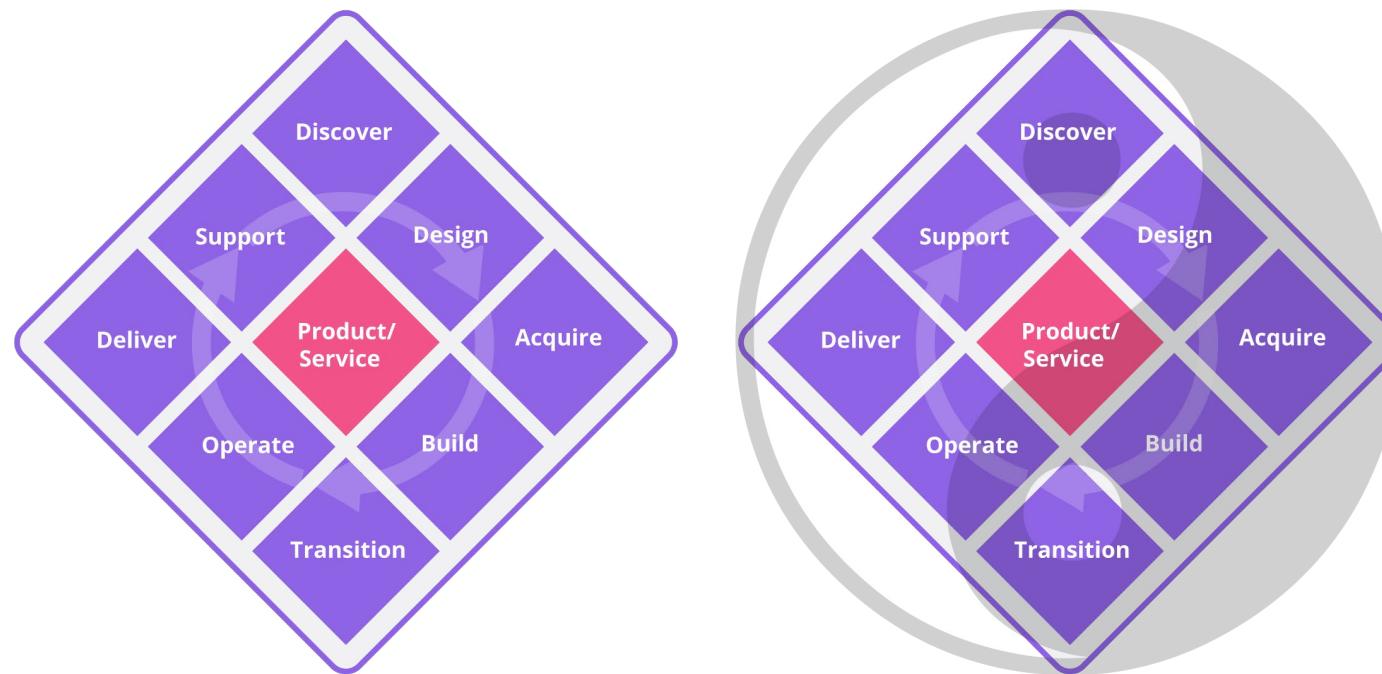

Figure 4.1 The duality of the ITIL Product and Service Lifecycle Model

Moving through the lifecycle, the focus of management shifts between digital product and digital service.

THE ITIL PRODUCT AND SERVICE LIFECYCLE
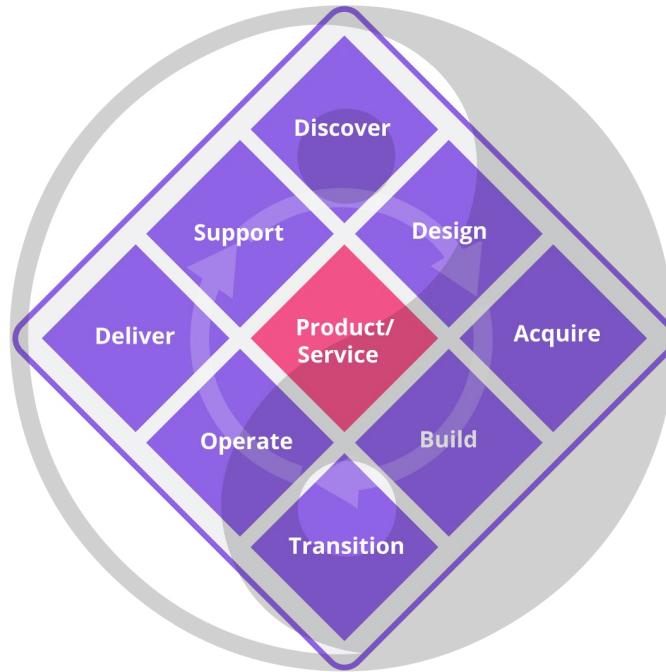
Figure 4.1 The duality of the ITIL Product and Service Lifecycle Model

- Discover – context

- Design – solutions

- Acquire – resources

- Build – products

- Transition – products

- Operate – products and supporting systems

- Deliver – services

- Support – consumers

RECAP: A BIG PICTURE

1. All organizations are engaged in service relationships
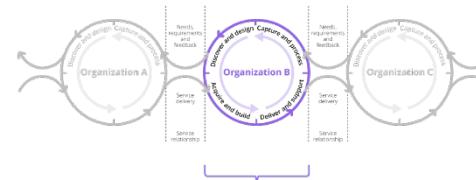

2. In service relationships, every organization takes responsibility for all or some stages of the product and service lifecycle

Focus on value

Start where you are

Progress iteratively with feedback

Collaborate and promote visibility

Think and work holistically

Keep it simple and practical

Optimize and automate

The guiding principles help make decisions at all levels and in all circumstances
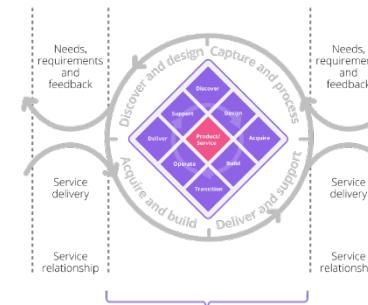
3. Each organization has a value system enabling value co-creation
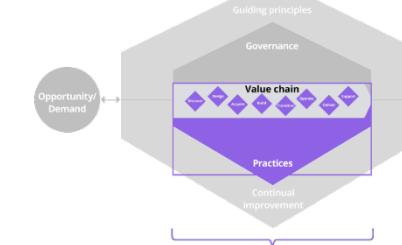
4. The central component of the value system is a value chain: activities the organization performs to manage products and services
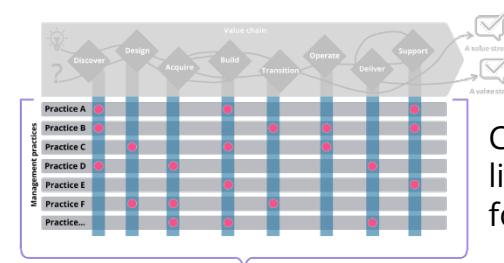
5. The value chain is enabled and supported by the management practices

Combinations of lifecycle activities form value streams

6. The management practices combine resources of the four dimensions to create management capabilities
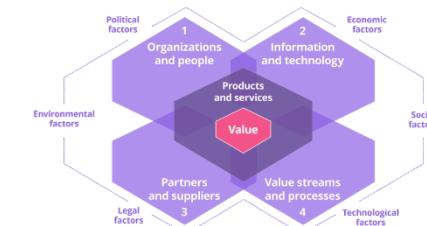
Figure 1.10 The key models of ITIL (Version 5): the big picture

A SHOUT OUT TO SERVICE MANAGEMENT OFFICES

- Product Ops is the function that turns product strategy into repeatable execution by aligning planning, processes, tools, and cross-functional coordination so product teams can focus on delivering outcomes

- Product Ops plays a key role in:
  - Establishing best practices to improve product team efficiency
  - Streamlining workflows and optimizing processes
  - Leveraging data and analytics for better decision-making
  - Managing technology stacks to enhance collaboration

- By handling operational complexities, Product Ops allows product managers to focus on strategy, customer insights, and innovation

- A modern service management office (SMO) can operate as an enablement and integration function, much like Product Ops.

- The SMO can ensure reliability, experience, compliance, and that service signals feed back into product decisions

- Key aims can include optimizing for flow and learning vs. control and compliance

Examples of Shared Signals

- Friction points in the customer journey
- Support contact patterns
- Feature adoption vs. abandonment
- Time-to-value
- Change failure rate and post-change incidents
- Rollback frequency after releases
- Performance degradation under load
- Frequency of high-impact incidents
- Incident and problem to backlog linkages
- Error budget burn

READY TO GET STARTED?

- ITIL How to Implement (ITIL Transformation)
  - Available via PeopleCert Plus
- ITIL AI Governance
  - https://itil.com/Itil-News-and-Announcements/ai-governance-white-paper

We've Got This!

From ITIL v2 Foundation to DevOps, SRE, and AI-Enabled Service Management, ITSM Academy has led the evolution of service management education for over two decades.

2004 | **ITIL v2** era. Foundation & Service Manager only – the "clusters" had not been introduced yet.

2007 | 1st U.S. accredited ITIL provider under new **ITIL v3** scheme.

2008 | Introduced **Certified Process Design Engineer** (CPDE) course.

2011 | V3 became **ITIL 2011**. As with previous versions, we developed all courseware in the scheme.

2014 | Built 1st DevOps Foundation course. ITSM Academy leadership co-founded the **DevOps Institute**.

2019 | Early adopter of **ITIL 4** classes. Introduced **Value Stream Mapping** and **Employee Experience** courses.

2022 | **Site Reliability Engineering** (SRE) courses and more, to help clients focus on modern reliability.

2025 | AI & AIOps. Incorporated **AI** into our learner experience, while rolling out **AIOps** related course.

2026 | **ITIL (Version 5)** era!!

Certified woman-owned small business

Since 2004, **our goal has stayed the same** ...educate & inspire

Guaranteed to Run

ITIL (VERSION 5) FOUNDATION
INSTRUCTOR-LED VIRTUAL CLASSROOM
FEBRUARY 24-27, 2026

Just Keep Learning!