State of ITSM *and*… 2023

…educate & inspire®

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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 Engineerng

Donna Knapp

- Author
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- 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

CEO Priorities

- Build resilience
- Have the courage to reinvent
- Build new digital businesses
- Leverage technology
- Pursue a net-zero strategy
- Rebuild the employee experience

Source: McKinsey

Forty percent of global CEOs think their organization will no longer be economically viable in ten years' time, if it continues on its current course. (PWC)

CIO Priorities

- Build resilience
- Improve business alignment
- Rationalize the technology estate
- Align on business goals
- Monetizing data insights
- Embracing digital transformation
- Modernizing cyber defenses
- Preparing to do more with less

Source: CIO

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What's Swirling Around Us?

- Budget increases
- New ways of thinking and working
- Advancements in technology

- Layoffs
- Hiring freezes
- Cost cutting
- Resignations

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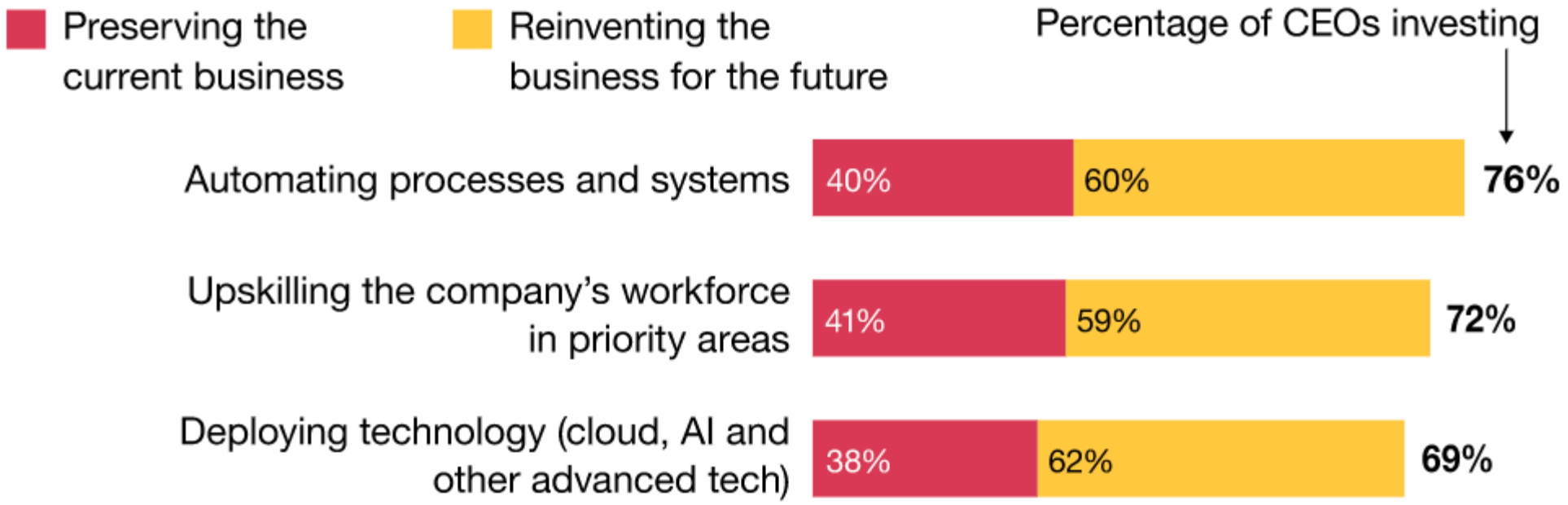
It's a Balancing Act

According to the 2022 State of CIO report, 76% of CIOs say that it's challenging to find the right balance between business innovation and operational excellence.



Source: PwC's 26th Annual Global CEO Survey

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The Role of IT Service Management

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It's About Developing Needed Capabilities

"Set of **capabilities** and **processes** to direct and control the **organization's activities** and resources for the planning, design, transition, delivery and improvement of services **to deliver value.**" ISO 20000-2018

"Service management is a set of **specialized organizational capabilities** for **enabling value to customers** in the form of services." ITIL 4

"Service **management processes** aim to transform the service provider's resources into **valuable customer services.** These services are to be made available at agreed levels of quality, cost, and risk." YaSM

"Service Management is "the **management approach** adopted by an organization **to deliver value** to consumers through quality products and services." VeriSM

"IT Service Management is the **management of all people, processes, and technology** that cooperate **to ensure the quality** of live IT services, according to the levels of service agreed with the customer." MOF

"IT Service Management is the **entirety of activities performed by an IT service provider** to plan, deliver, operate and control IT services offered to customers." FitSM

88% of IT executives report that ITSM is important to digital transformation efforts. (Forbes)

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ITSM Trends

- Improving customer and employee experience
- Demonstrating business value
  - ✓Measuring the right things
  - ✓Making data-driven decisions and improvements
- Optimizing everything
- Leveraging technology
- Taking it to the enterprise

The increasing reliance of businesses on technology means a smarter approach is needed.

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Key ITSM Challenges

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

Source: 2022 Axelos ITSM Benchmarking Report

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ITSM Adoption

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%

The key to surviving in the future will be to become lean without losing essential capabilities.

Source: 2022 Axelos ITSM Benchmarking Report

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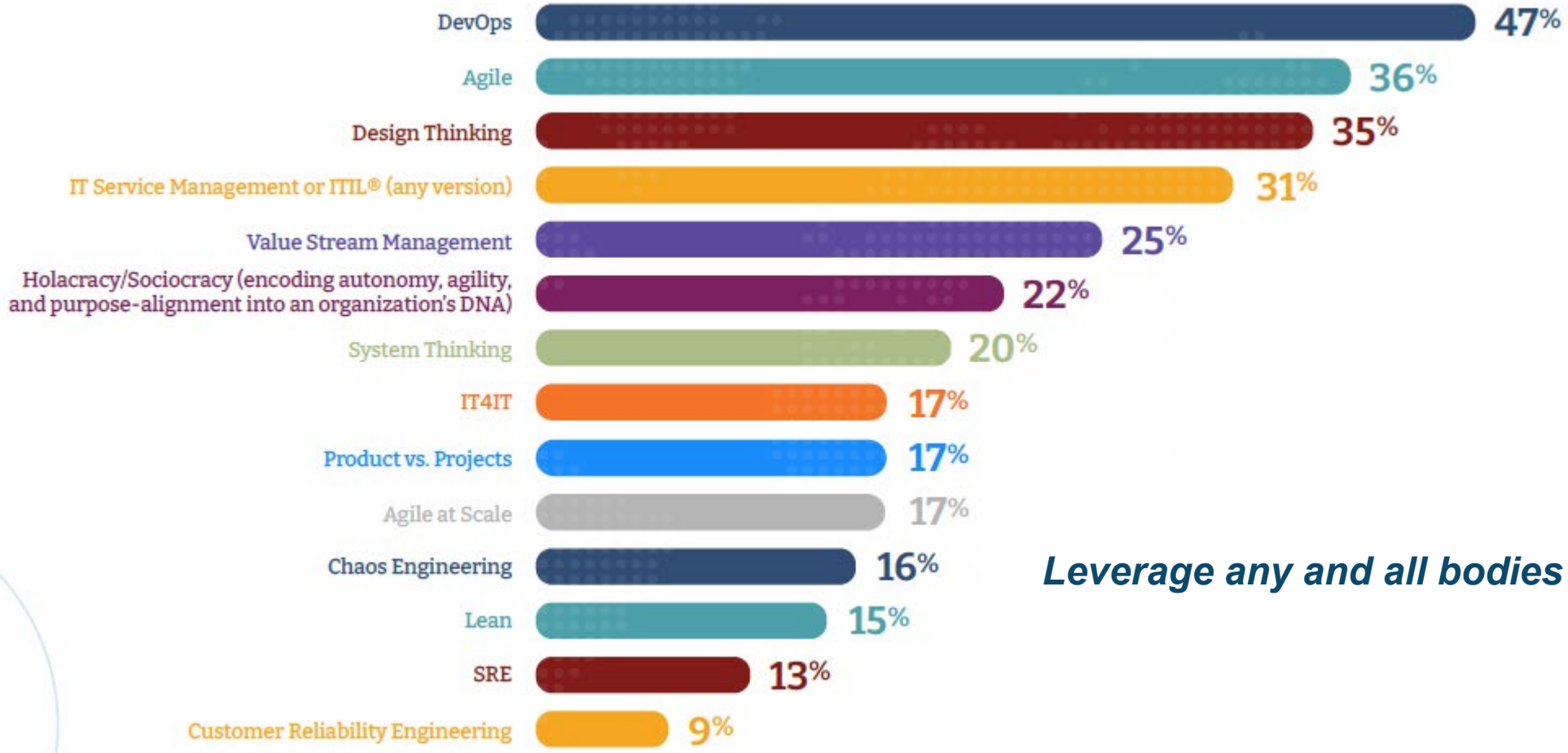
Current Adoption of Frameworks



Leverage any and all bodies of knowledge!

Source: 2022 DevOps Institute Upskilling IT Report

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Flow

Psychological Safety

Stakeholder Satisfaction

Efficiency and Effectiveness

Sustainability

Systems Thinking

Quality Management

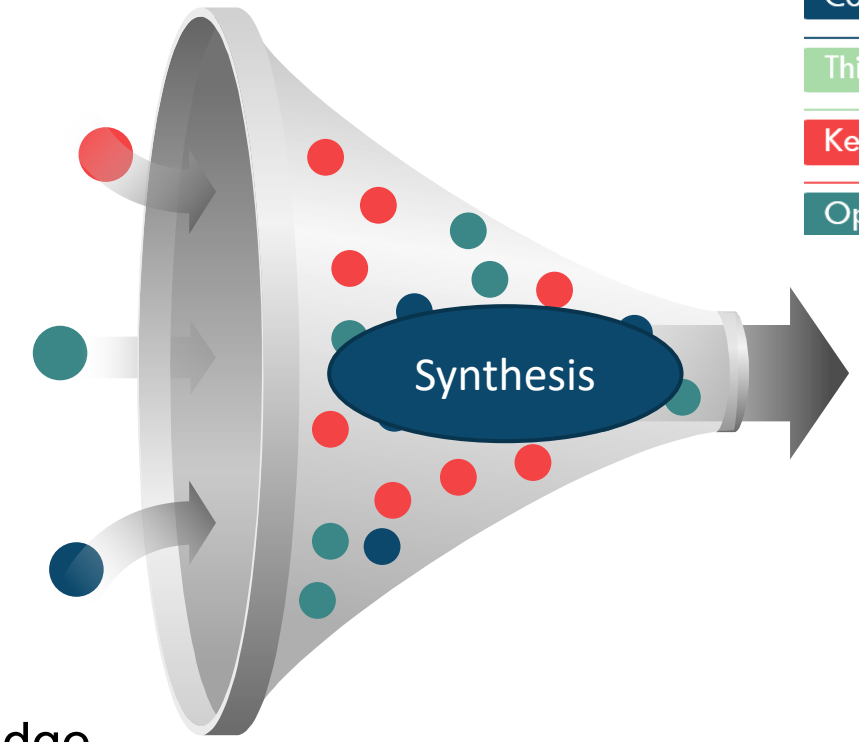
Experimentation and Learning

Statistical Analysis

Knowledge Management

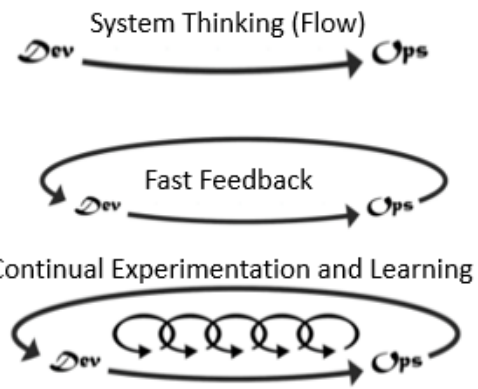
Waste and defect reduction

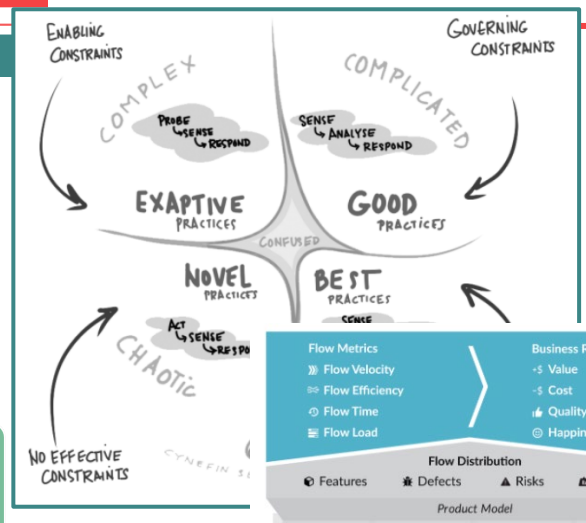
Respect for People

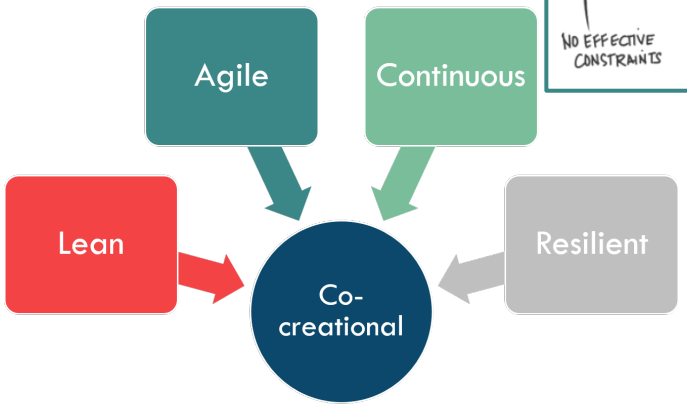


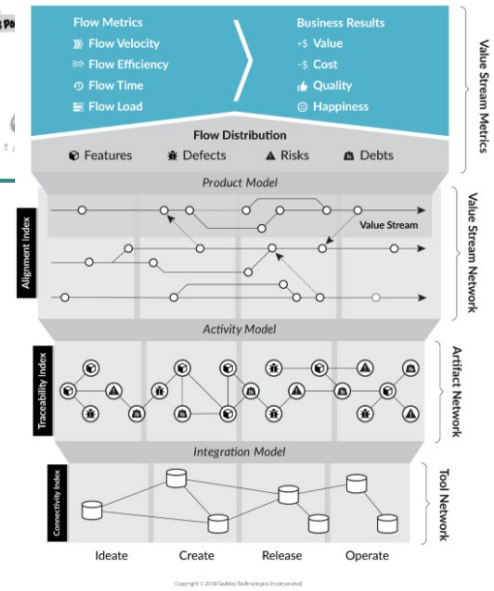
Continual Improvement

- 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









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“Experience by itself teaches nothing... Without theory, experience has no meaning. Without theory, one has no questions to ask. Hence, without theory, there is no learning.”

— W. Edwards Deming

ITSM *and*… Agile

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Agile is a Mindset, Skillset and Toolset

Why Agile?

13% - Agile practices for IT and Software development teams

26% - Agile practices for company-wide Digital Transformation

61% - Both

How teams are measured

- 47% - on-time delivery
- 44% - by business objectives achieved

How work is prioritized

54% - by company goals

43% - by end customer satisfaction

35% - by time to deliver

Source: 16th Annual State of Agile Report

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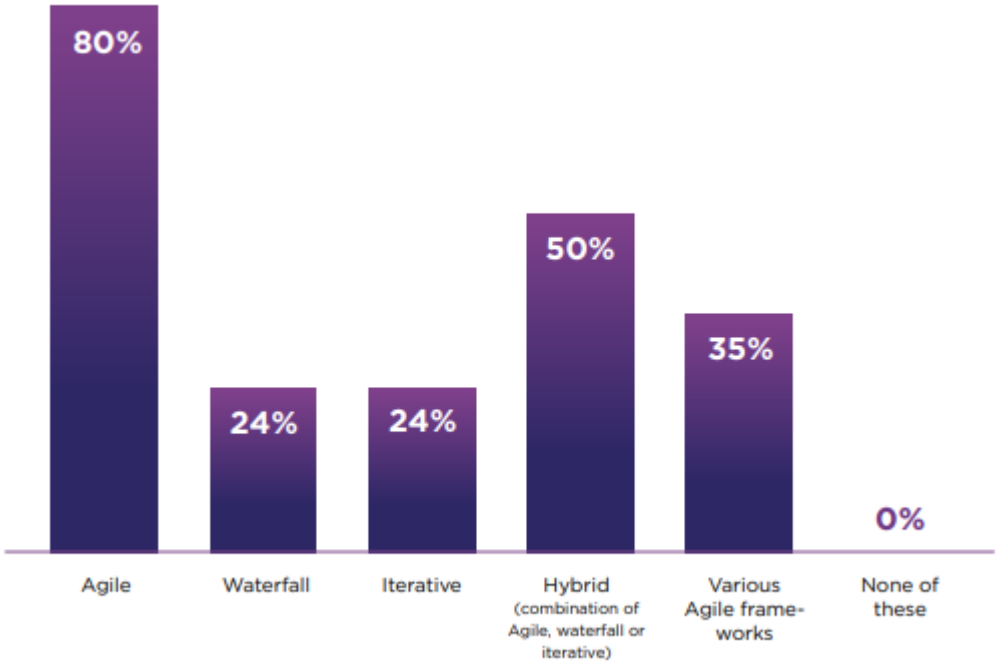
One Size Doesn't Fit All

- 25% say this combination of frameworks works well for them
- 48% say this combination of frameworks works somewhat well for them
- 27% say this combination of frameworks doesn't work for them



Source: 16th Annual State of Agile Report

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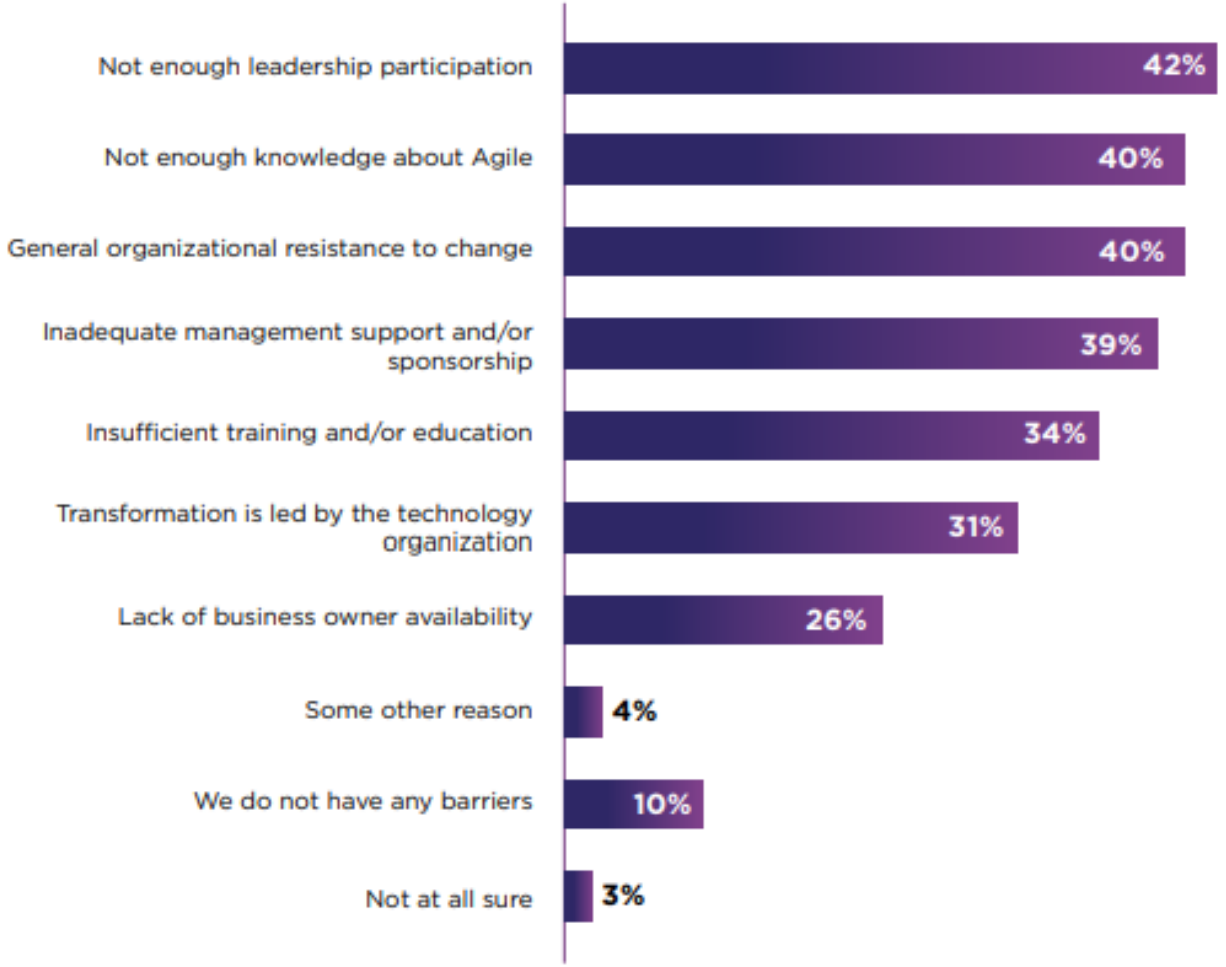
What's Standing in the Way?



Source: 16th Annual State of Agile Report

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ITSM *and*… Lean

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Lean Is a Mindset, Skillset and Toolset

Principles of Lean Thinking

Lean Methods and Practices

- A3 thinking (problem solving)
- Kaizen (continuous improvement)
- Kanban (pull system)
- KPI (key performance indicator)
- PDCA (incremental improvement)
- Root cause analysis (problem solving)
- SMART goals (specific, measurable, achievable, relevant, time-bound)
- Value stream mapping (optimize flow)

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Value Stream Management

- Value stream management is a combination of people, process, and technology that maps, optimizes, visualizes, measures, and governs business value flow (including epics, stories, and work items) through heterogeneous enterprise software delivery pipelines (Forrester)
- VSM platforms (VSMPs) provide a strategic focus
- Value stream delivery platforms (VSDPs) (i.e., DevOps toolchains) focus on tactical execution

By 2023, 70% of organizations will use value stream management to improve flow in the DevOps pipeline, leading to faster delivery of customer value. (Gartner)

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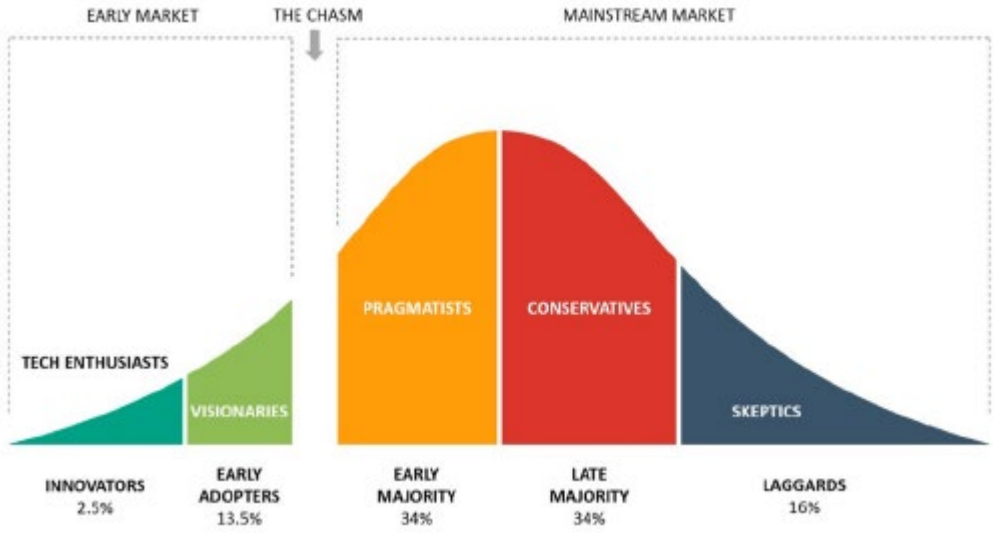
VSM is Crossing the Chasm

- Innovators are insights-driven, using tools
- Early adopters are organizing around value streams
- The early majority are starting to map value streams
- The late majority are likely not mapping yet
- Laggards may not even be aware of VSM yet



Value stream management brings value stream maps to life and allows allowing for continual monitoring and management.

Source: 2022 State of Value Stream Management Report

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What's Standing in the Way?

Source: 2022 State of Value Stream Management Report

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Optimizing the Flow of Value

- Value stream mapping
  - ✓Is an entry point for many organizations into value stream management
  - ✓Is well established in lean
  - ✓Is increasingly identified as a DevOps enabler
  - ✓Is an essential step to implementing value stream management
  - ✓Is not easy
  - ✓Is intended to be used as a continual improvement tool (38% have only done it once)

Does your team use value stream mapping to obtain data about flow?	2021	2022	+/-
Yes (total)	43.7%	43.4%	-0.3%
No (total)	56.3%	56.6%	+0.3%

Source: 2022 State of Value Stream Management Report

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ITSM *and*… Site Reliability Engineering

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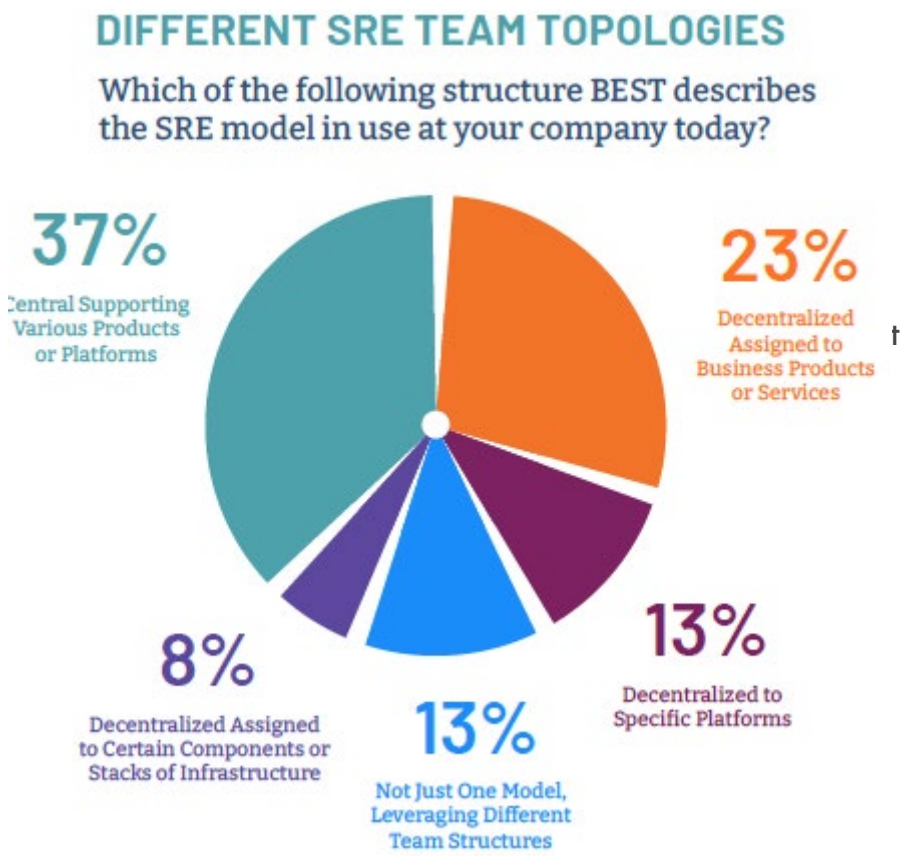
State of Site Reliability Engineering



- SRE adoption is up
- 19% - across the organization
- 55% - within specific teams, products or services
- 23% - piloting

- 38% of survey respondents voted SRE skills as a must-have skill in the process and framework skill domain

Source: 2022 Global SRE Pulse Report

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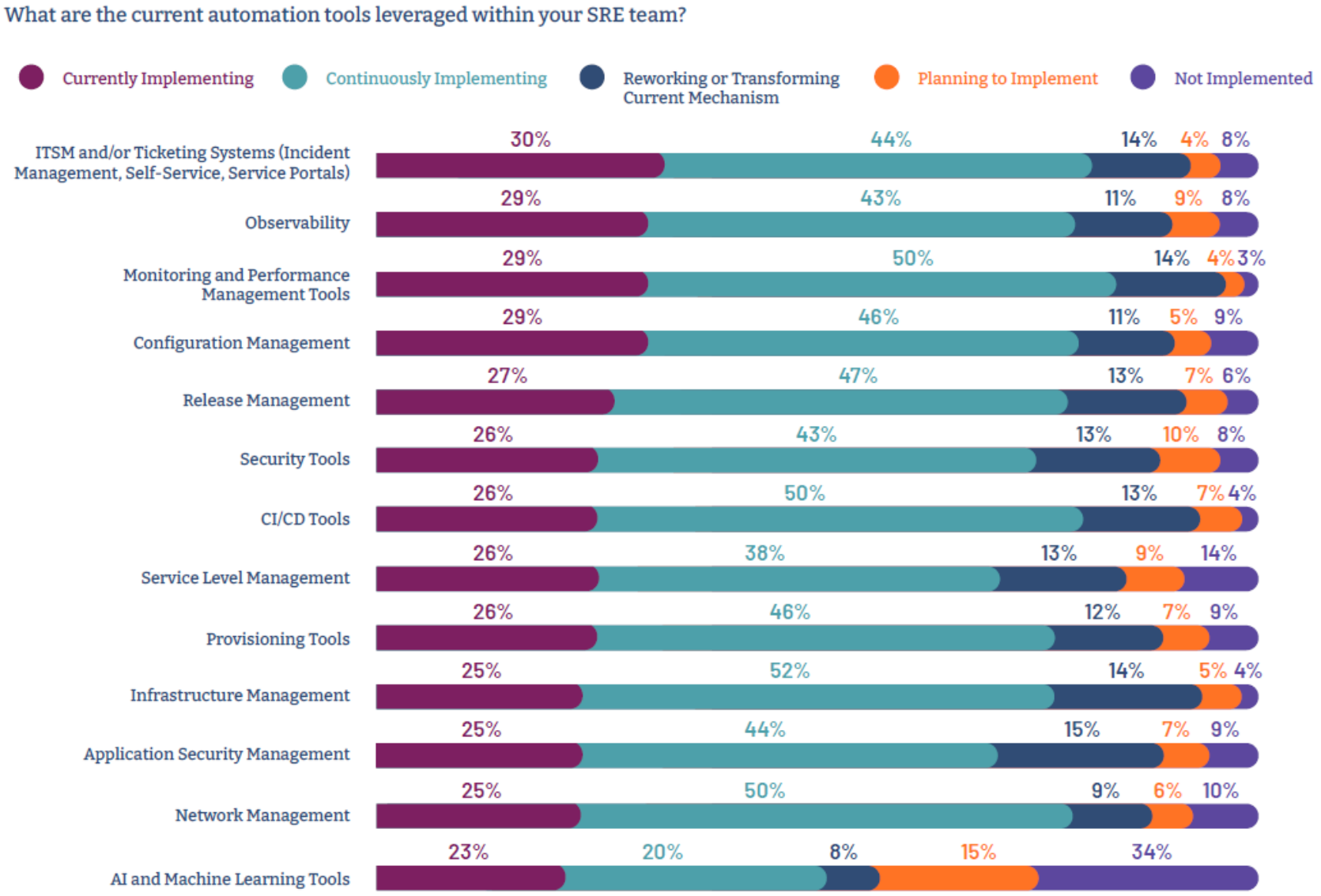
SRE = Modern ITSM



Source: 2022 Global SRE Pulse Report

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ITSM *and*… DevOps

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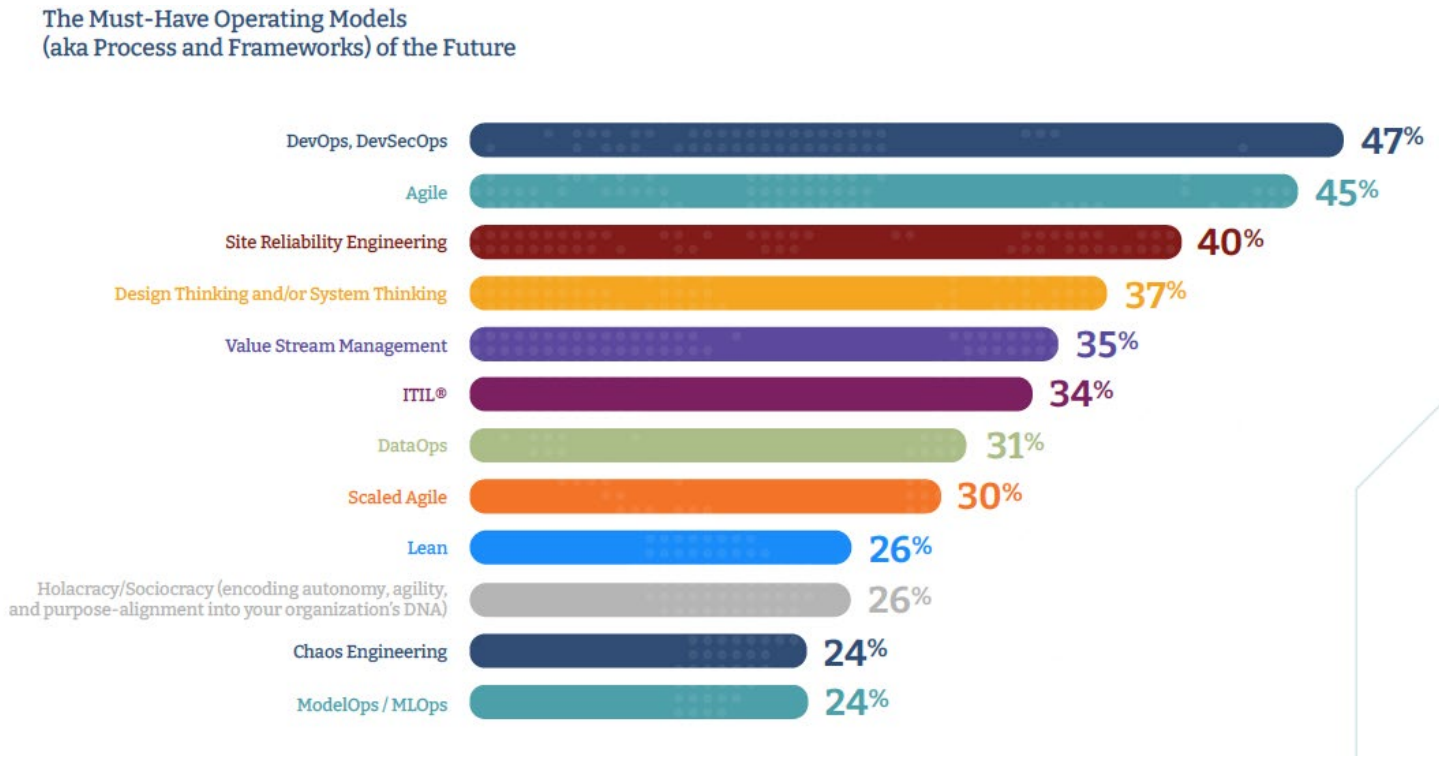
State of DevOps/DevSecOps



Source: 2022 DevOps Institute Global Upskilling IT Report

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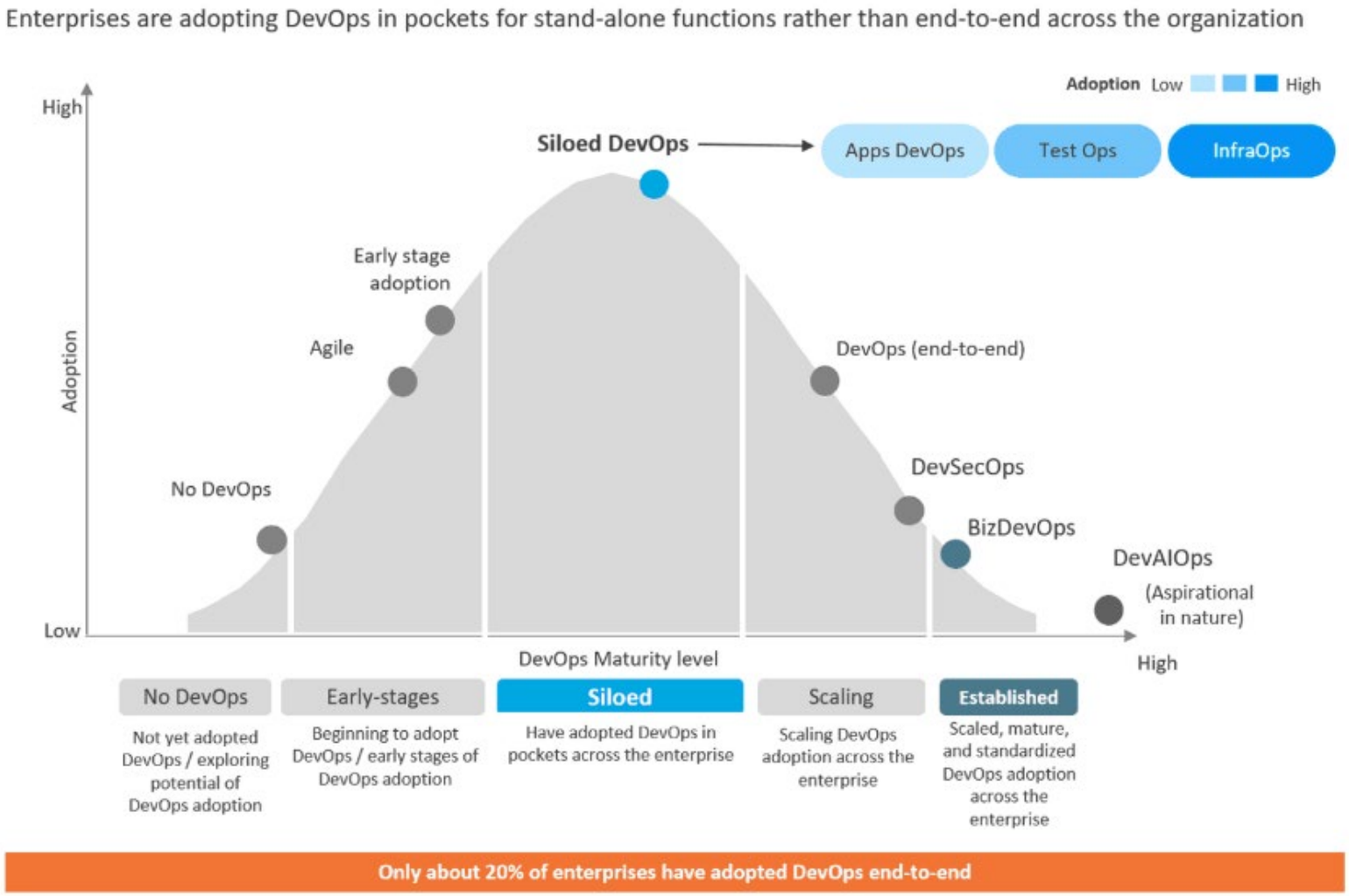
DevOps Adoption is Siloed



Source: Everest Group – 2019 Siloed DevOps is No DevOps!

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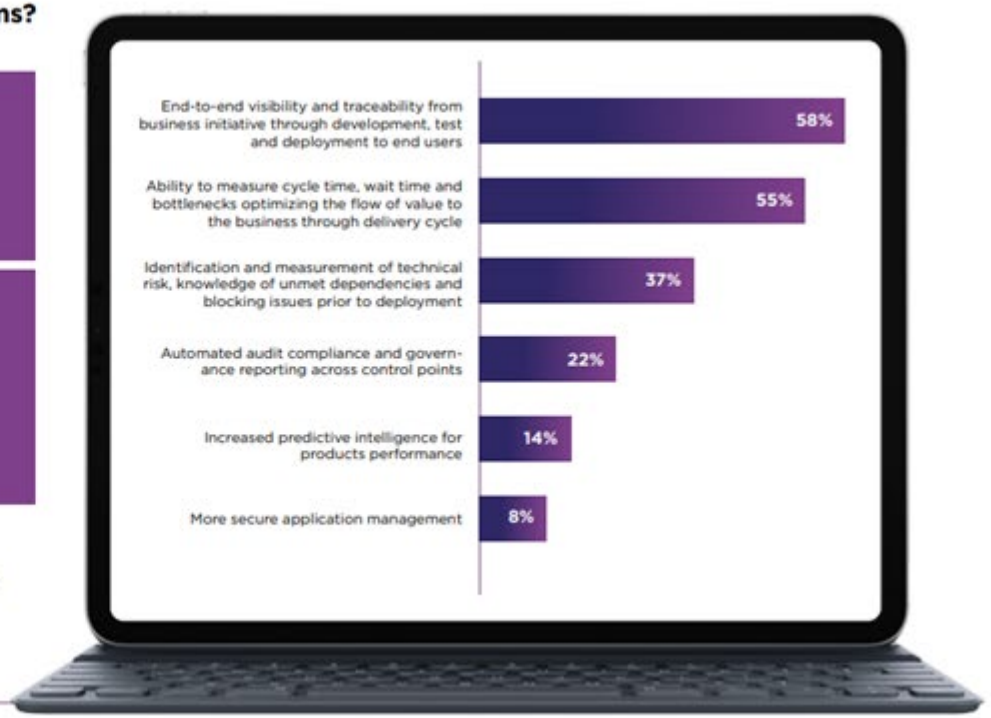
What's Standing in the Way?

What would be the most valuable improvements to DevOps teams?

58% say end-to-end visibility and traceability from business initiative through development, test and deployment to end users.

55% say the ability to measure cycle time, wait time and bottlenecks, optimizing the flow of value to the business through the delivery cycle would be an important improvement.

Almost 3 in 5 respondents say improvements in end-to-end visibility and traceability would be most valuable for their DevOps practice



Source: 16th Annual State of Agile Report

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Where We Go From Here?

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We Challenge the Status Quo

Embrace guiding principles

- Start now
- Start where you are
- Progress iteratively
- Continuously experiment, learn and improve

Focus on the Fundamental

Focus on…

- Getting the mindset and culture right
- Doing the basic stuff well
- Removing the barriers that stand in the way of innovation

Figure out how progressive practices and emerging technologies can augment your work to increase efficiency, improve productivity and free you up to innovate.

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We Acknowledge and Overcome ITSM Anti-Patterns

- The lack of leadership
- Using traditional measures
  - ✓IT-centric metrics
  - ✓On-time delivery
- Thinking one size fits all
- Framework wars
- Chasing the new and shiny
- Acting at the local level
- Trying to do it all at once
- Doing things the way we've always done them
- Avoiding experimentation
- Under-estimating the importance of culture

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We Hone Our Skills

Source: 2022 DevOps Institute Global Upskilling IT Report

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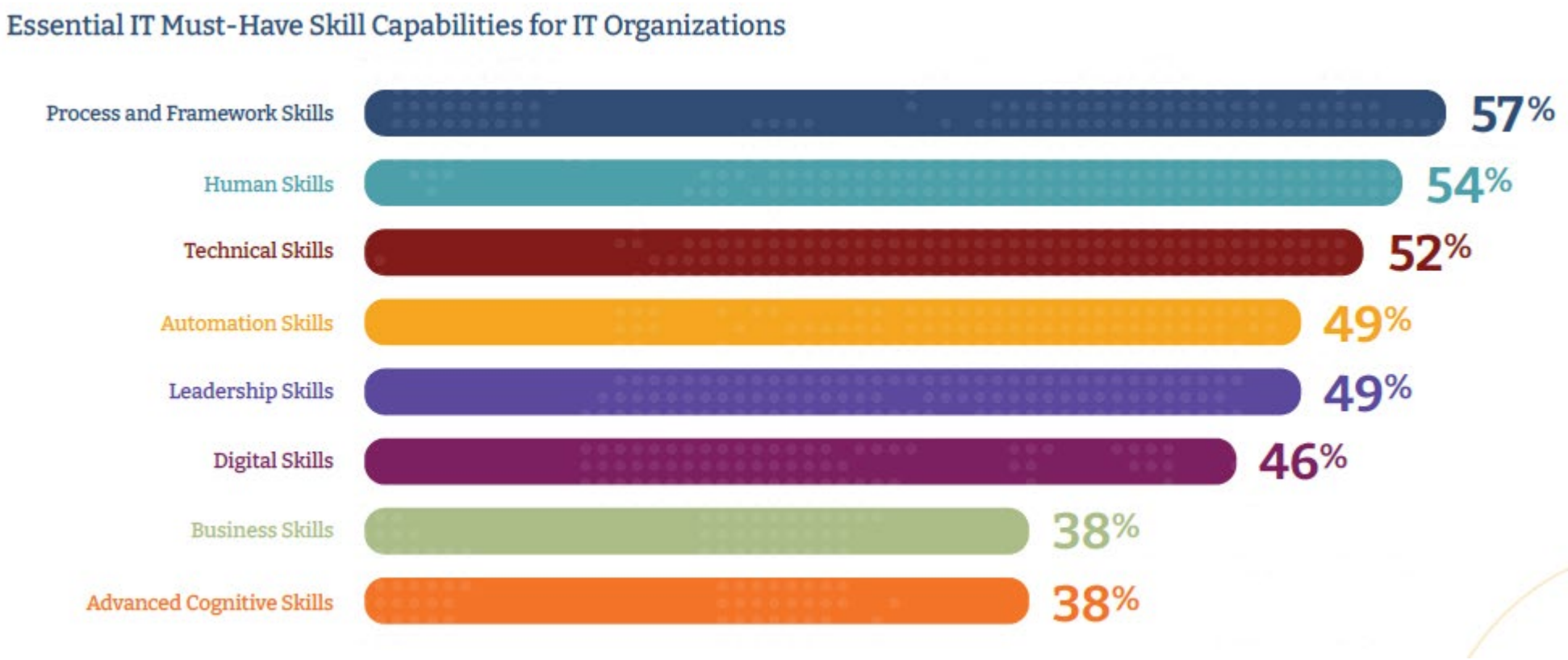
Workforce Development



Foster a culture of continual experimentation and learning.

Source: 2022 DevOps Institute Global Upskilling IT Report

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Just Be Human!

Global 'Must Have' Human Skills

Source: 2022 DevOps Institute Global Upskilling IT Report

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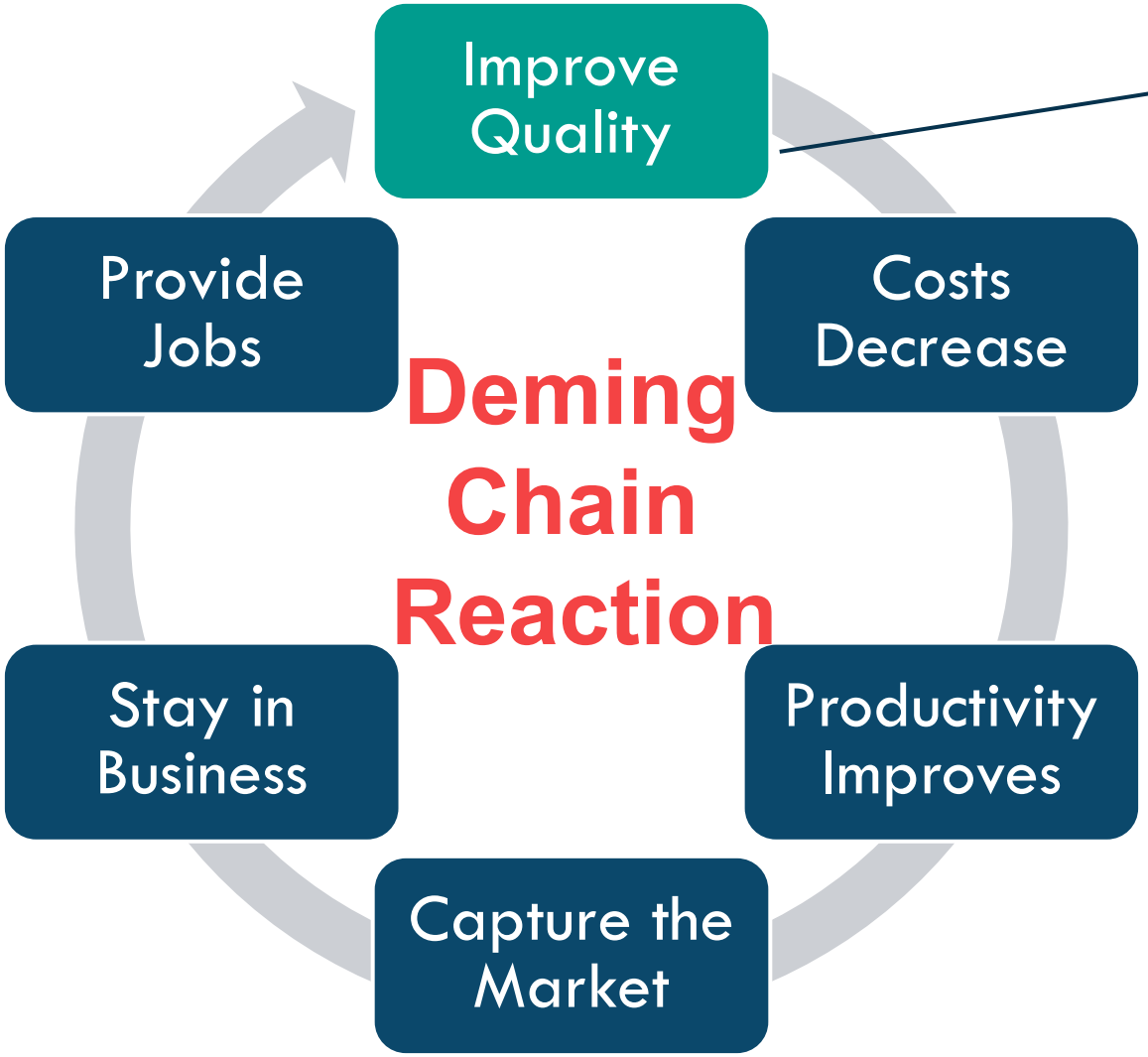
We Focus on Continual Improvement



- Reduce Waste
- Reduce Errors
- Reduce Delays
- Reduce Effort

Reduce the contributors to costs.

Remove barriers to productivity.

Source: deming.org

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"A good question for anybody in business to ask is What business are we in? To do well what we are doing-i.e., to turn out a good product, or good service, whatever it be? Yes, of course, but this is not enough. We must keep asking – What product or service would help our customers more? We must think about the future. What will we be making 5 years from now? 10 years from now?"

— W. Edwards Deming

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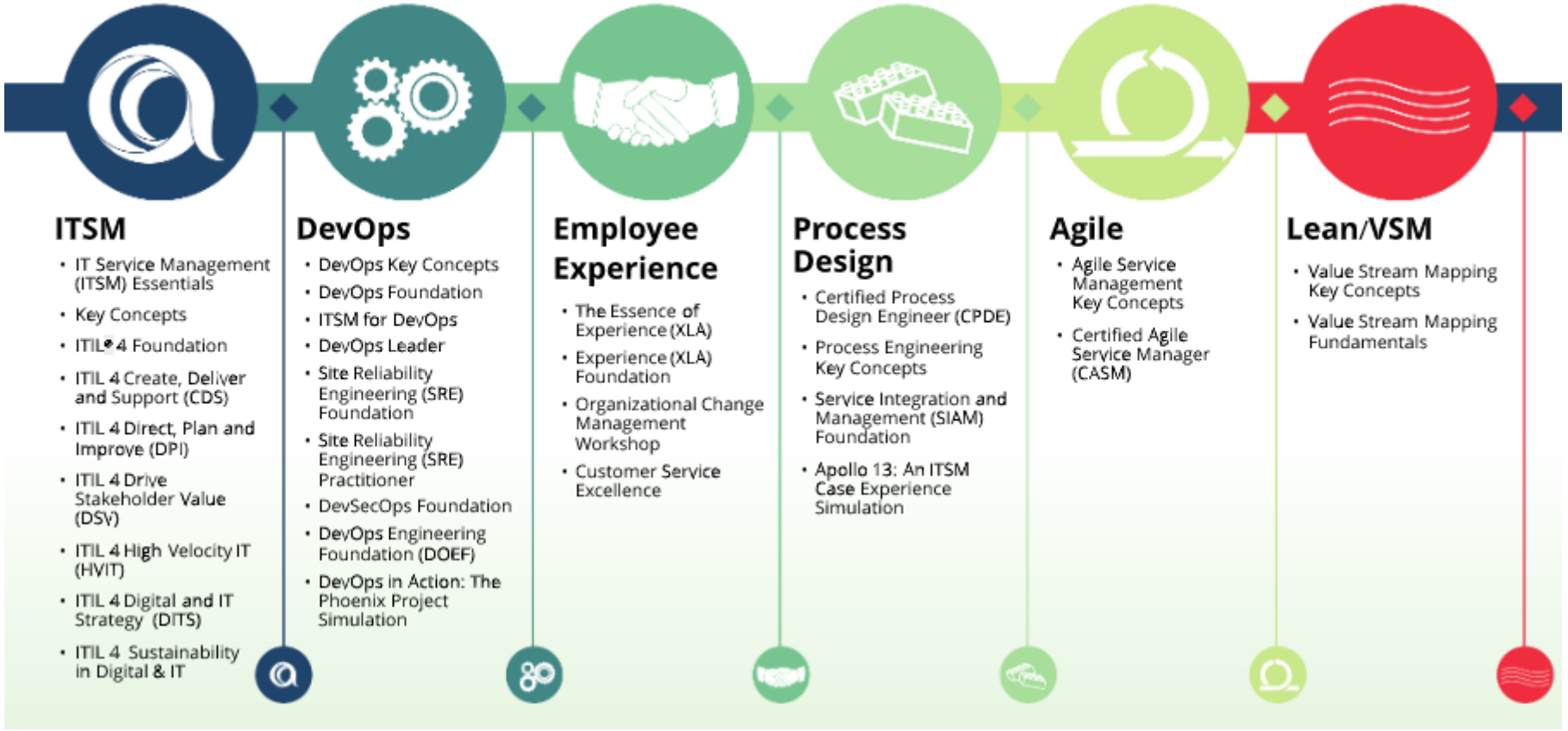

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Thank You for Attending!

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