

State of ITSM *and...* 2022



#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
 - ✓ ITIL®
 - ✓ DevOps
 - ✓ Employee Experience
 - ✓ Process Design (CPDE)
 - ✓ Lean/Value Stream Mapping
 - ✓ Agile Service Management

Donna Knapp

- Author
- Curriculum Development Manager
- Certified Process Design Engineer
- ITIL Expert, ITIL Managing Professional, ITIL Strategic Leader
- DevOps Foundation, DOL, CDA, DSOE, 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

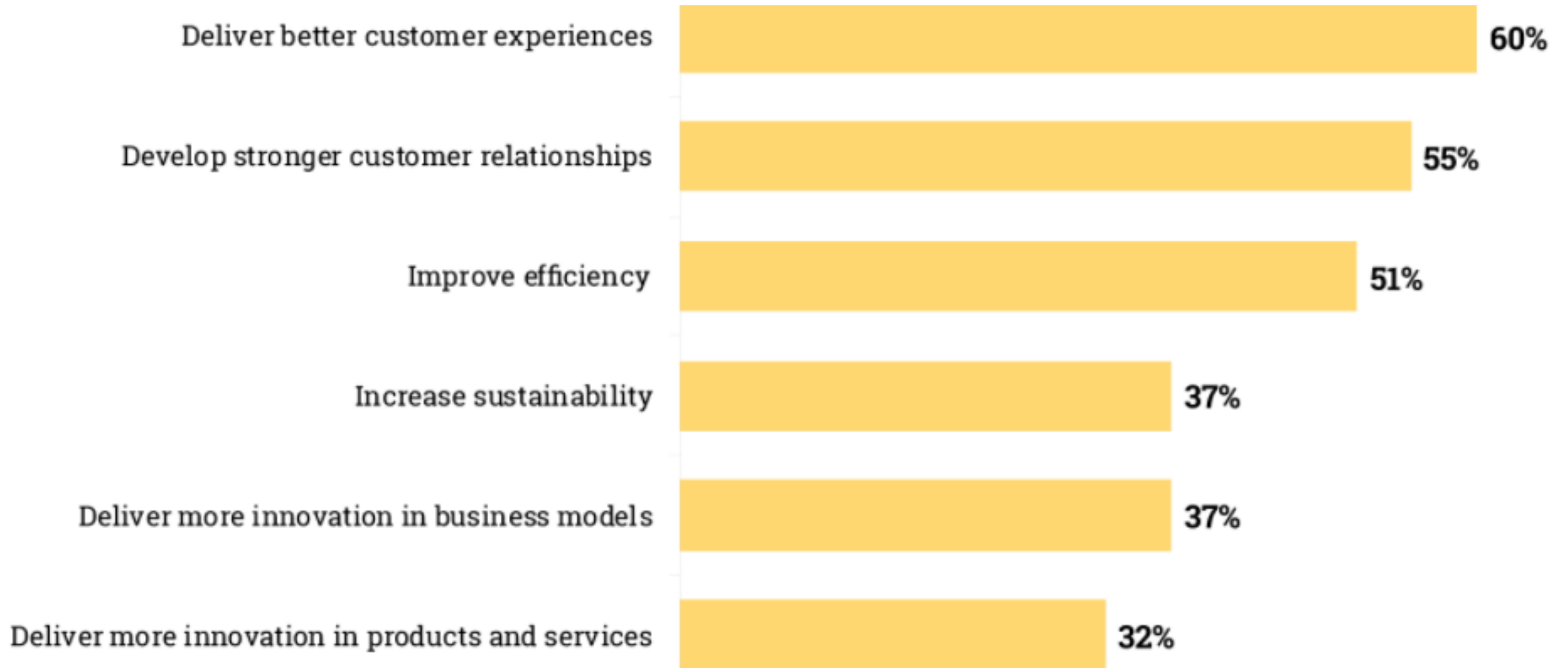
The Post-Pandemic Landscape

- New business and operating models
- Remote and hybrid work
- A focus on customer and employee experiences
- Sustainability as a competitive advance




***The road to recovery
will be digital.***

Outperformer CEO Priorities Next 3 to 4 Years




Source: IBM – February 2021 - global survey of 3,000 CEOs

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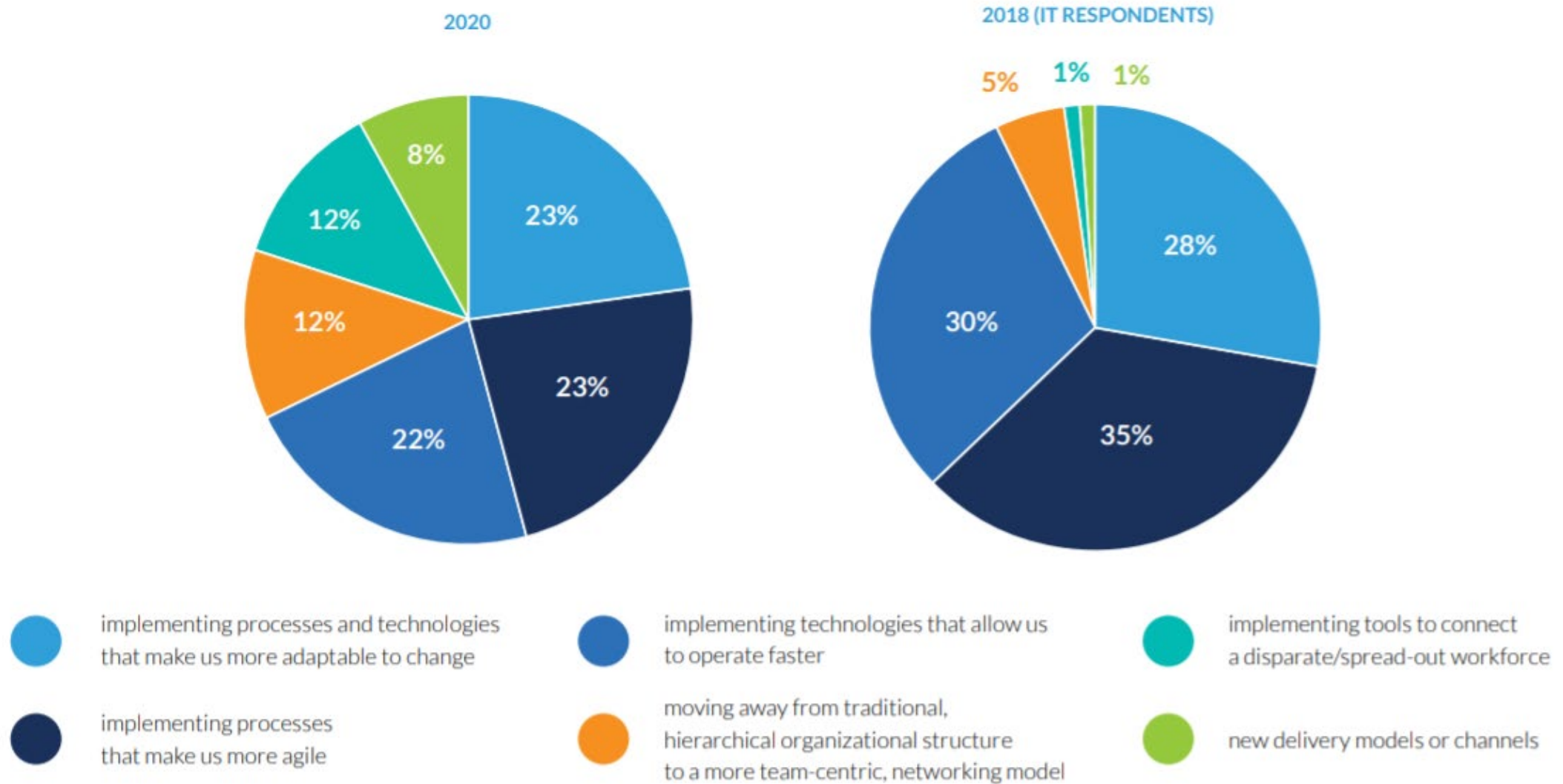


Business success requires building a capabilities-based organization, with outcome-oriented teams that are focused on delivering differentiating value.



What Capabilities are Needed?

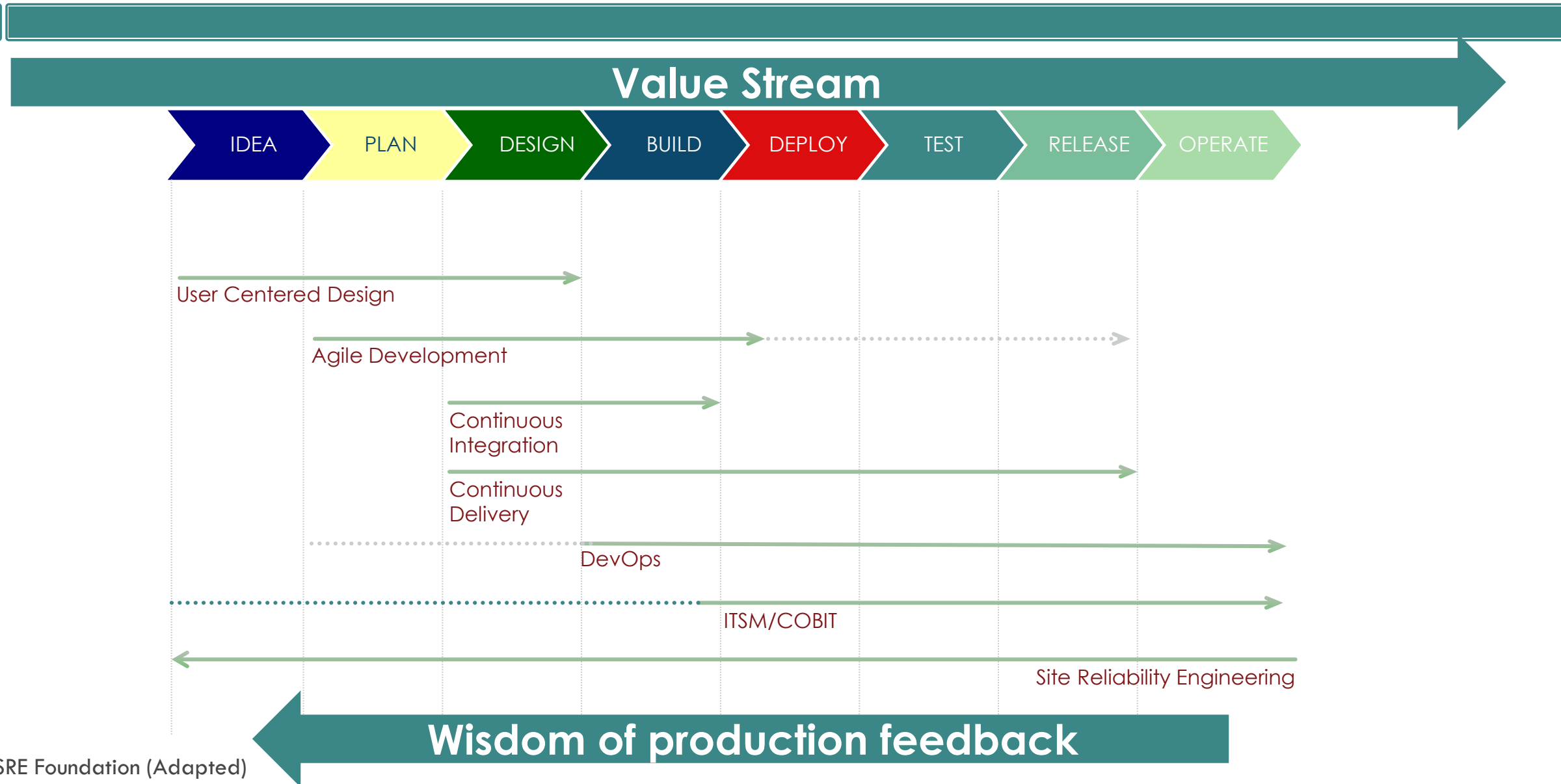
Adaptability, agility and resilience are key.



Source: Celerity – State of Digital Transformation

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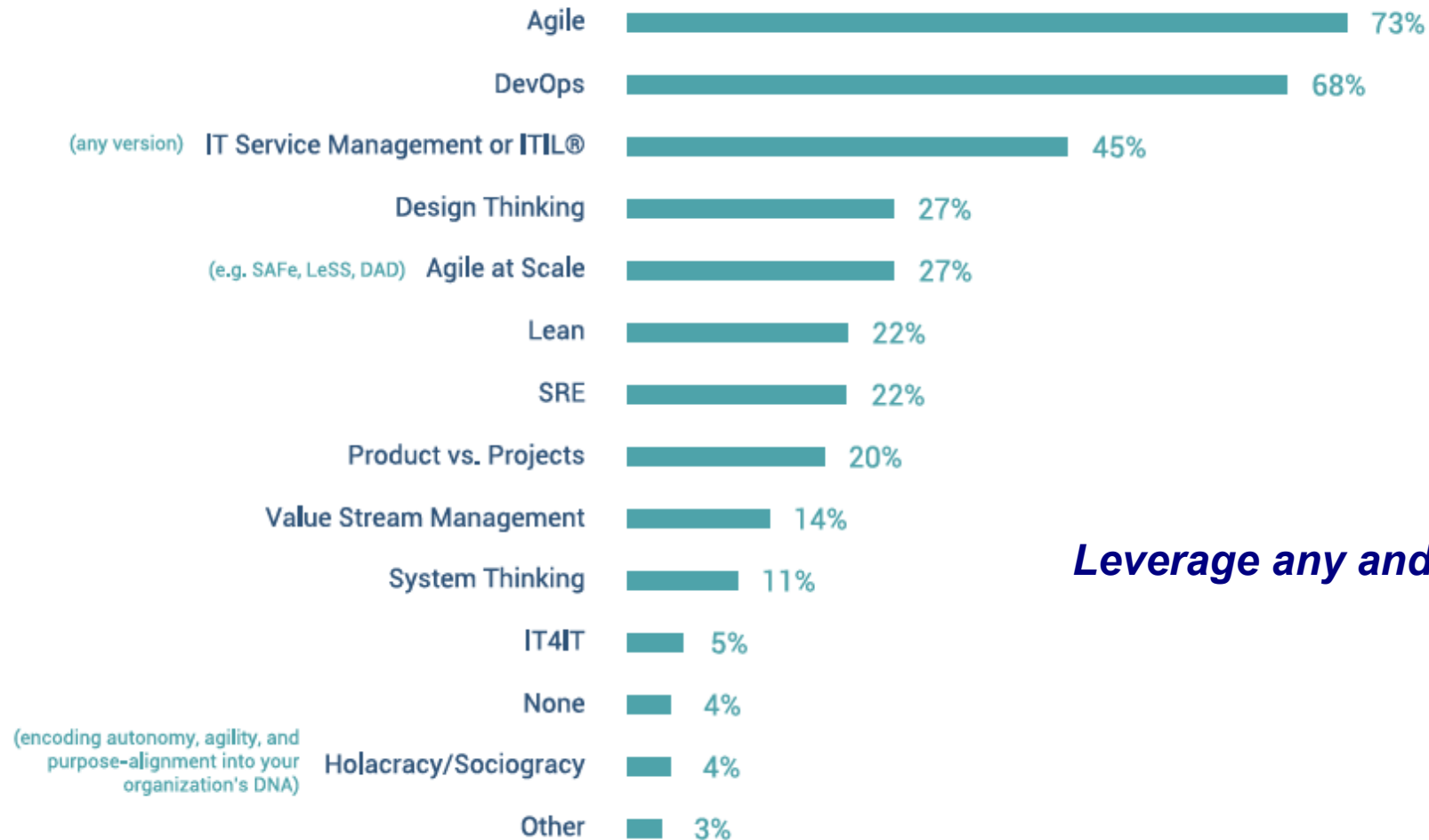
How Do We Get There?




Source: SRE Foundation (Adapted)

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Current Adoption of Frameworks



Leverage any and all bodies of knowledge!



“Long-term commitment to new learning and new philosophy is required of any management that seeks transformation. The timid and the fainthearted, and the people that expect quick results, are doomed to disappointment.”

W. Edwards Deming





The Role of Service Management

Service management is a set of specialized organizational capabilities for enabling value for customers in the form of services.

ITIL provides best practice guidance for IT service management (ITSM).

ITSM and Digital Transformation

ITSM plays a key role in

- Driving a positive customer experience
- Improving the employee experience
- Enabling digital transformation
- Addressing governance, risk and compliance concerns
- Enabling the co-creation of value



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

ITSM Trends

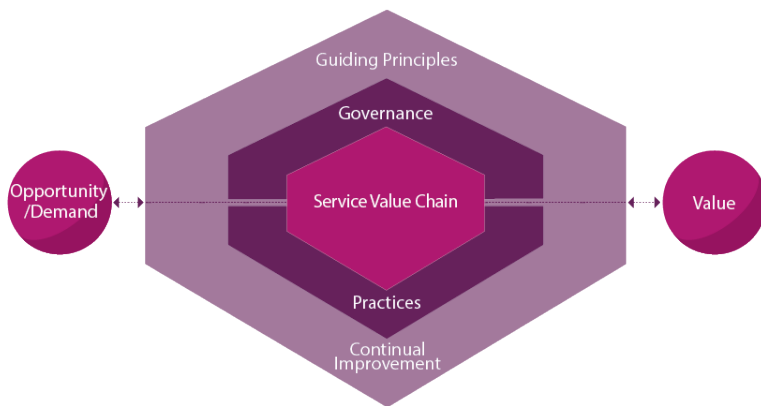
- Experience matters
- ITIL 4 is gaining acceptance
- Enterprise service management is gaining ground
- Reducing toil and automation have become major priorities
- We're learning how to focus on outcomes

The bad news... service management is still viewed as primarily an 'IT' thing, and more specifically, an Ops thing.

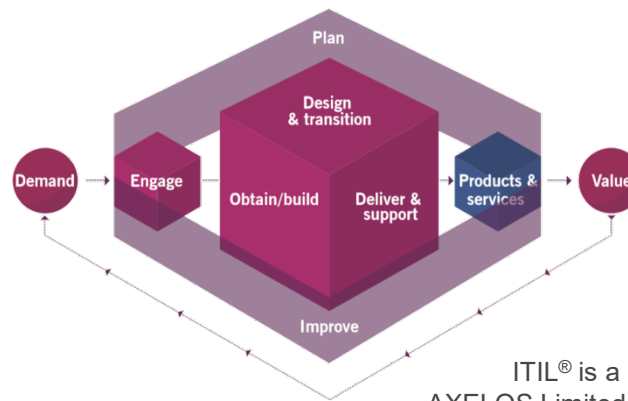
About ITIL® 4

- Co-creation of value
- Best practices *and* exploratory ways of working
- Principles-based
- Value-stream centric
- Alignment with adjacent ways of working
 - ✓ Agile, Lean, DevOps, SRE...

Service Value System
(Replaces the Service Lifecycle)

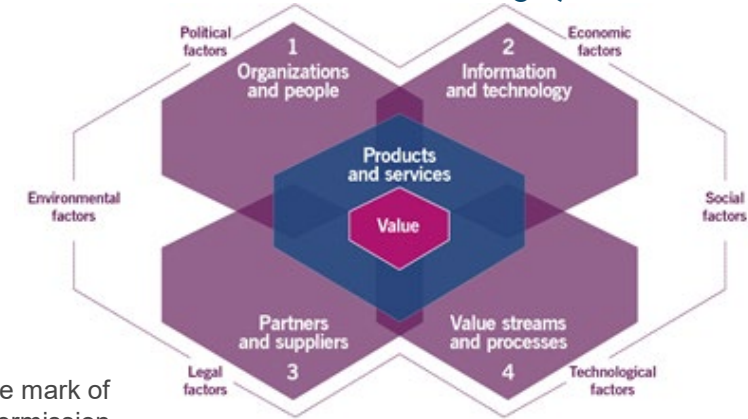


Service Value Chain
(Flexible and adaptive)

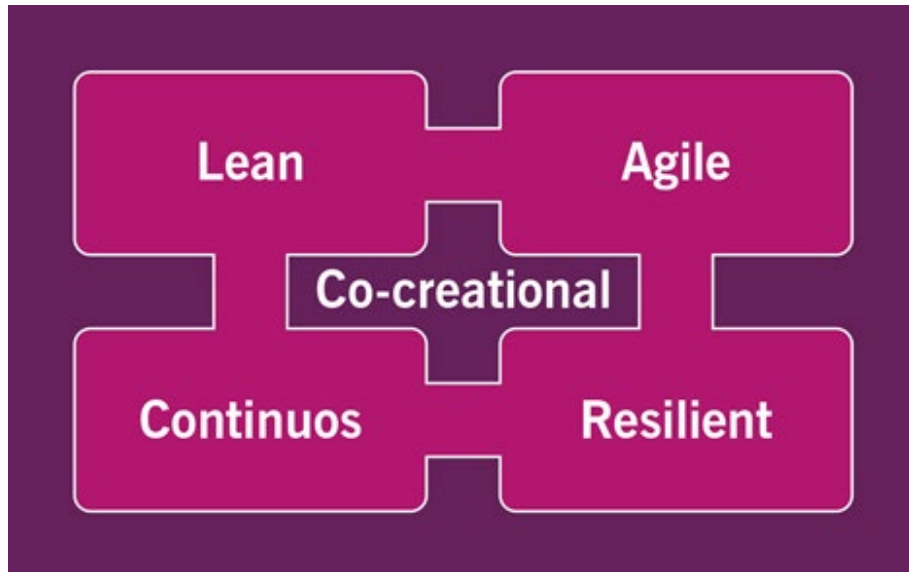


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Four Dimensions
(Evolution of the 4 Ps of Service Design)



ITIL 4 and...



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Dominant characteristics of high velocity approaches include

- **Lean** helps to improve flow and reduce waste (via techniques such as value stream mapping and Kanban)
- **Agile** adds close and iterative collaboration with users
- **Resilient** maintains workable availability and performance (via approaches such as site reliability and chaos engineering)
- **Continuous** ensures fast and reliable deployment (e.g., continuous integration, delivery, deployment, and testing)

DevOps builds on these characteristics by emphasizing close collaboration between the roles of software development and technical operations.



Agile and Lean



*Doing agile is a set of activities.
Being agile is a state of mind...*

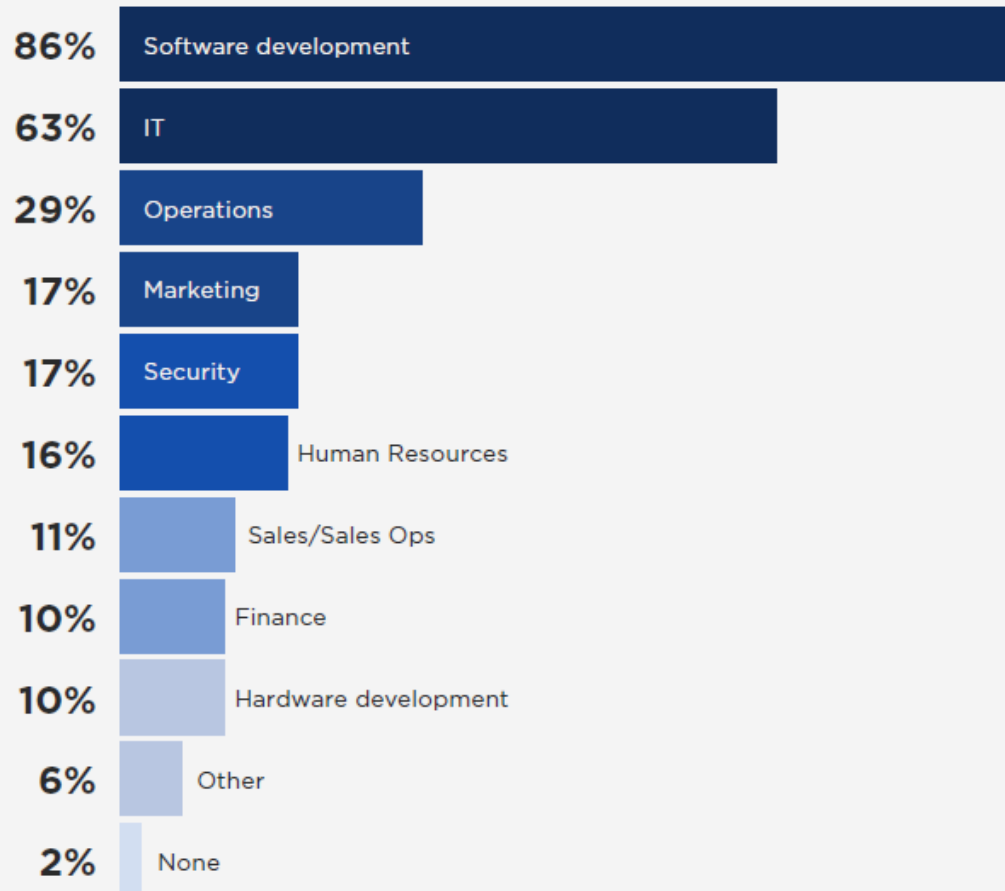
Pearl Zhu



Agile is a Mindset, Skillset and Toolset

Which areas of your organization have adopted Agile principles and practices?

*Respondents were able to select multiple responses to this question.



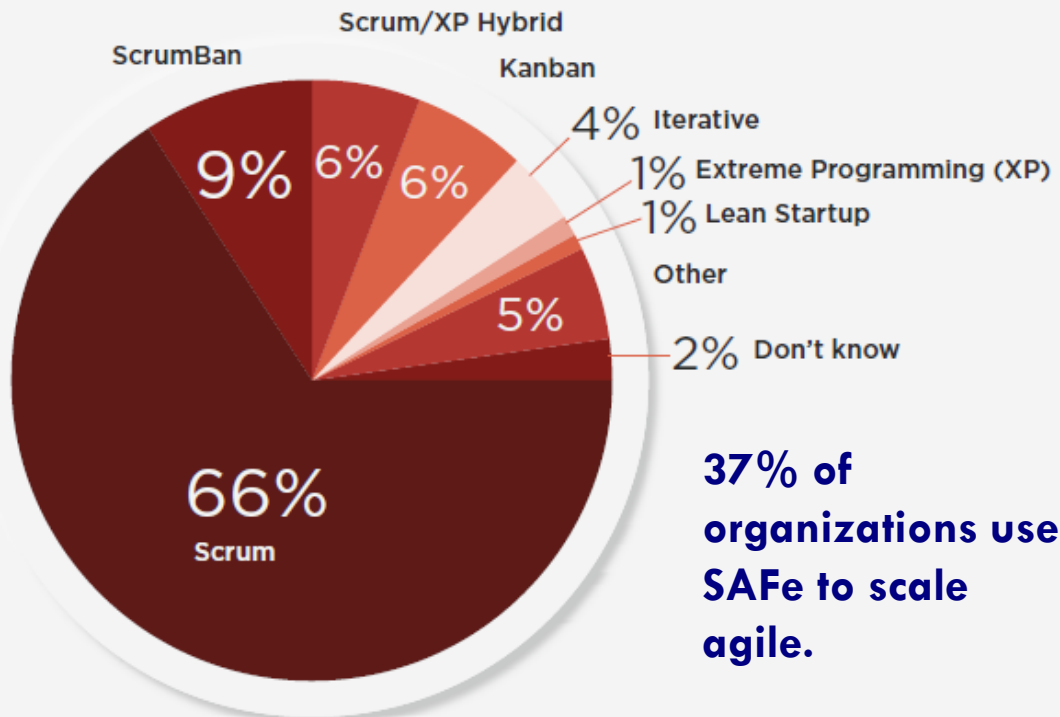
- Organizations continue to adopt agile practices
- Enterprise agility requires
 - ✓ Everyone operating with an agile mindset based on values, principles and practices
 - ✓ Balancing control and autonomy

"I would say that the number one challenge facing capital 'A' Agile today is a lack of awareness of systems thinking. And the fact that we have all these teams and organizations who have adopted agile and agile frameworks, be it Scrum or SAFe or XP, are doing so in one part of the system."

Evan Leybourn, CEO and Founder Business Agility Institute

Agile Practices

Which Agile methodology do you follow most closely at the team level?

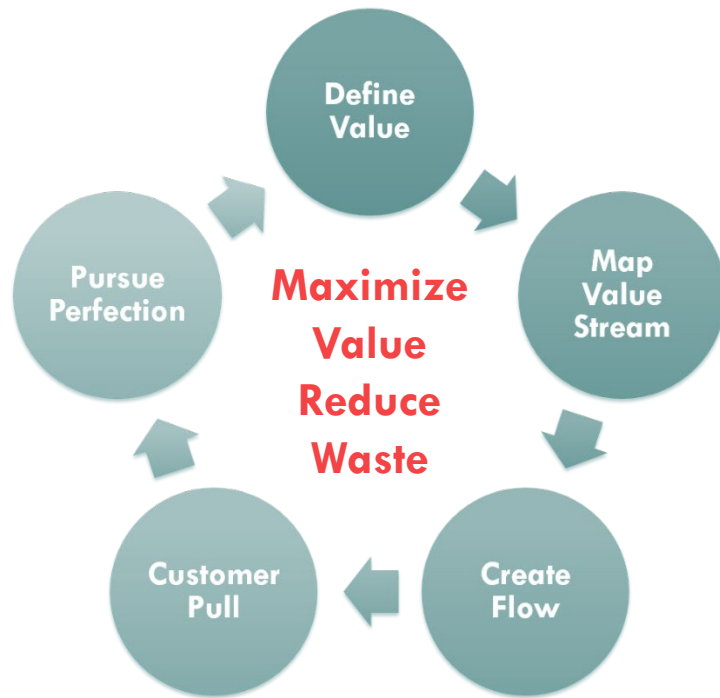


- Agile techniques and practices in use include:
 - ✓ Daily standups 87%
 - ✓ Retrospectives 83%
 - ✓ Sprint/iteration planning 83%
- Agile planning practices in use include:
 - ✓ Kanban boards 77%,
 - ✓ Task boards 67%

Agile is an application and result of Lean thinking.

Lean Is a Mindset, Skillset and Toolset

Principles of Lean Thinking

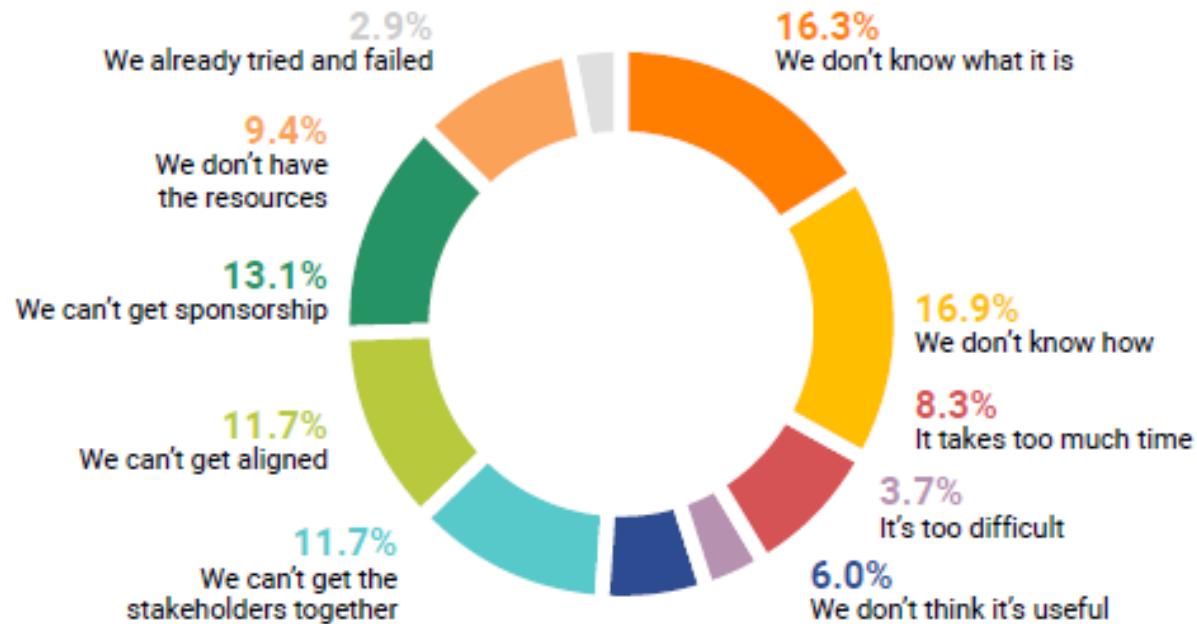


Lean Methods and Practices

- 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)

Optimizing the Flow of Value

Why don't you leverage value stream mapping?



Top three reasons

- We don't know how
- We don't know what it is
- We can't get sponsorship

Value stream management bring your maps to life and allows allowing for continual monitoring and management.

Value Stream Management (1)

- 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)

Value Stream Management (2)

Value Stream Mapping	Value Stream Management
Human-centric, storytelling and narrative	Tool-centric, science and insights digital.ai servicenow. PLUTORA. TASKTOP
Opinion driven: qualitative	Data-driven: quantitative
Visual collaboration	Visibility and continuous inspection
Walls and post-it notes	Integrations, dashboards and AI
Builds an initial business case	Ongoing incremental optimization
Defines present and future	Records past and present
Highlights waste [and opportunities to improve flow]	Automates for continuous compliance

VSM Adoption Drivers

Evidence of Broader Adoption

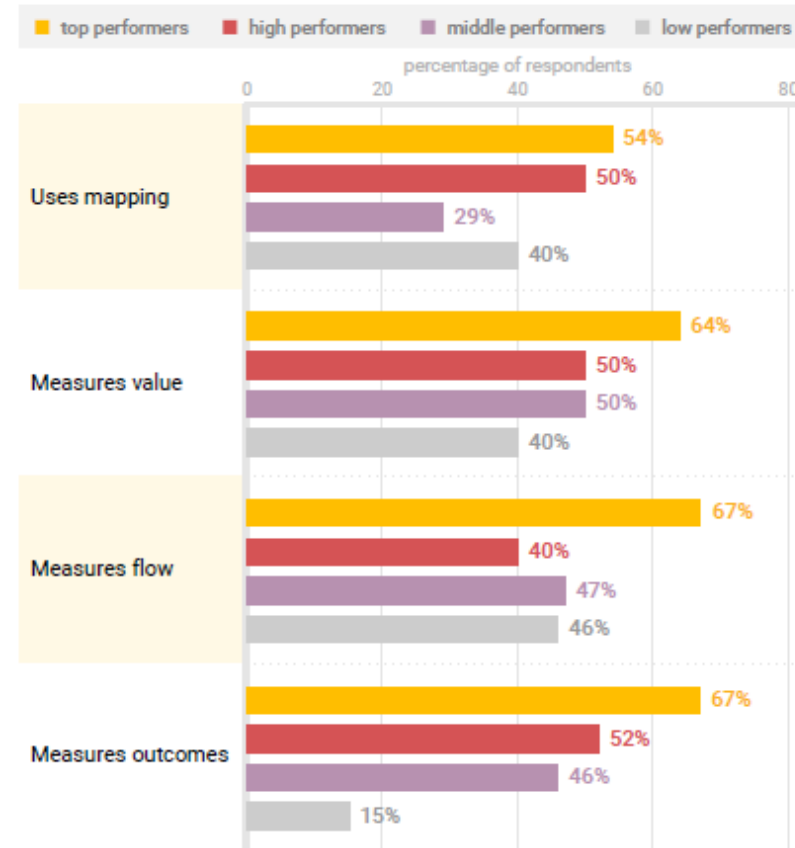
- Organizations are identifying value streams and organizing around them
- Product-oriented teams are more popular than project-oriented teams
- People have roles specifically focused on value stream-centric ways of working

Organizational Design Considerations

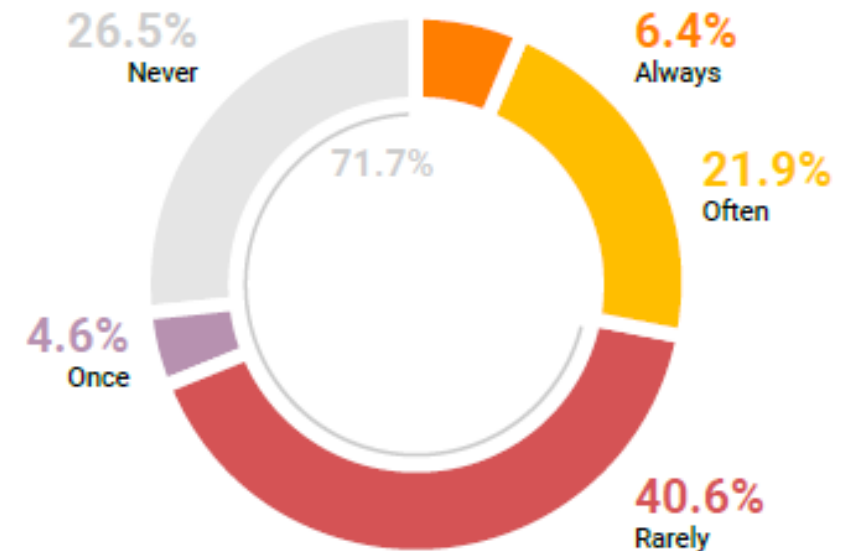
- Flattening the hierarchy to distribute authority and empower individuals within teams
- Breaking down silos for improved collaboration
- Systems thinking to promote end-to-end lifecycle management

State of Value Stream Management

Value stream management practices are more common in higher-performing organizations




Do you measure the actual value realized by new features in your product?



Time to market is being replaced by time to value.

Tracing which new feature impacts customer behavior is still a challenge.

Value stream management can help.



“Today’s standardization...is the necessary foundation on which tomorrow’s improvements will be based. If you think “standardization” as the best you know today, but which is to be improved tomorrow — you get somewhere. But if you think of standards as confining, then progress stops.”

Henry Ford





Resilient

Resilient Approaches

Approaches with resilient characteristics are focused on

- Maintaining workable availability and performance
- Minimizing the effect of incidents

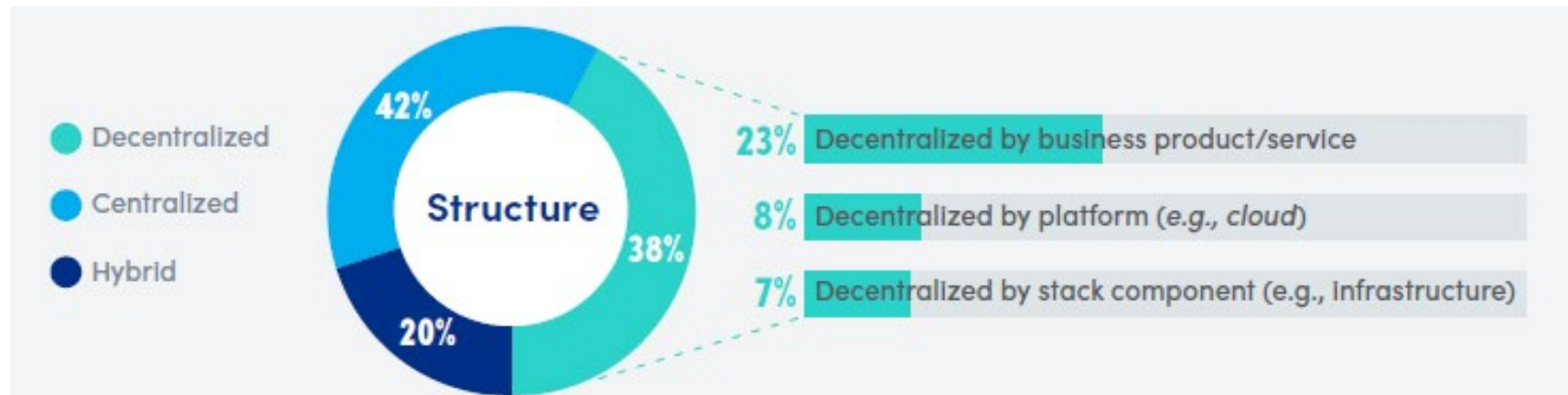
Resilient Approaches

- Site reliability engineering
- Chaos engineering
- Observability/AIOps
- Limiting/paying down technical debt

State of Site Reliability Engineering

- SRE adoption is up (22% in 2021 compared to 15% in 2020)
- 47% of survey respondents voted SRE skills as a must-have skill in the process and framework skill domain (vs. 28% in 2020).

Source: 2021 Upskilling Enterprise DevOps Skills Report



Source: catchpoint – 2021 SRE Report

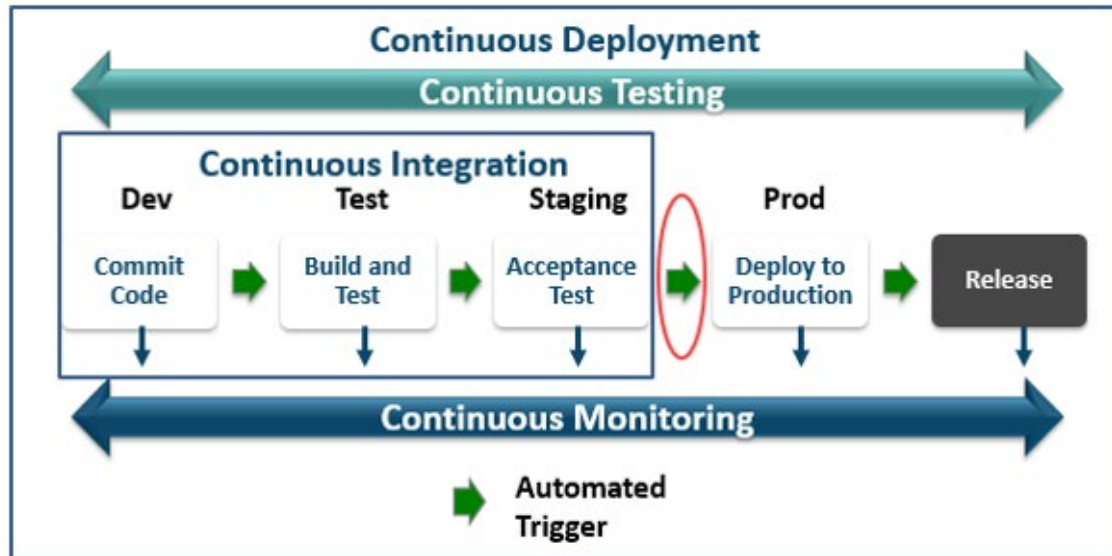
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Continuous

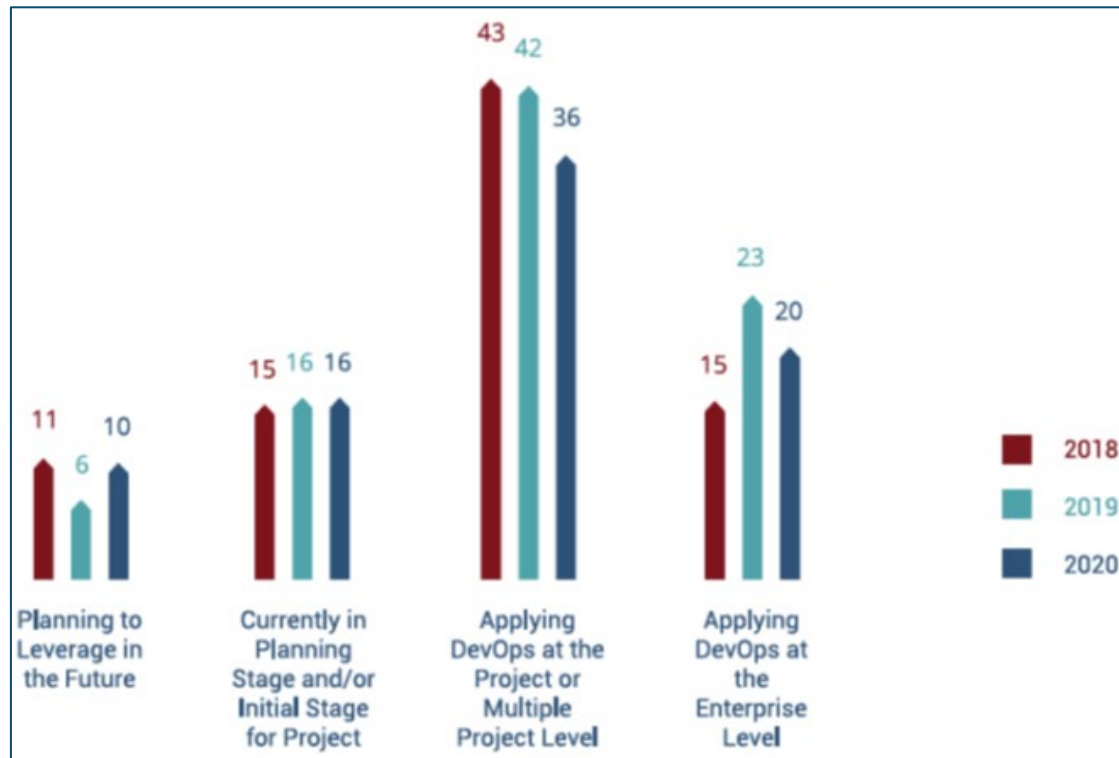
Continuous

- Continuous approaches extend the Lean focus on throughput by standardizing and automating the processes that enable digital products and services to be available when required

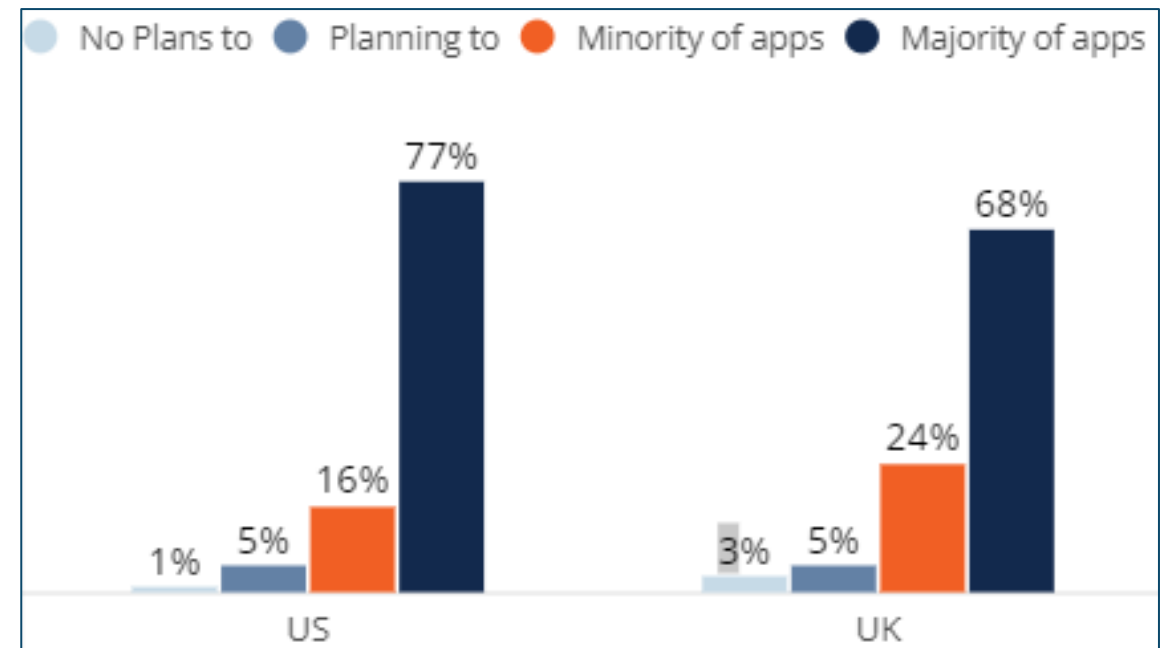


- Continuous approaches are based on the belief that small and frequent batches of work are
 - ✓ More valuable because functionality can be used earlier
 - ✓ Safer because the change is smaller and feedback is obtained quicker
- Continuous approaches are closely associated with
 - ✓ DevOps
 - ✓ DevSecOps

State of DevOps/DevSecOps



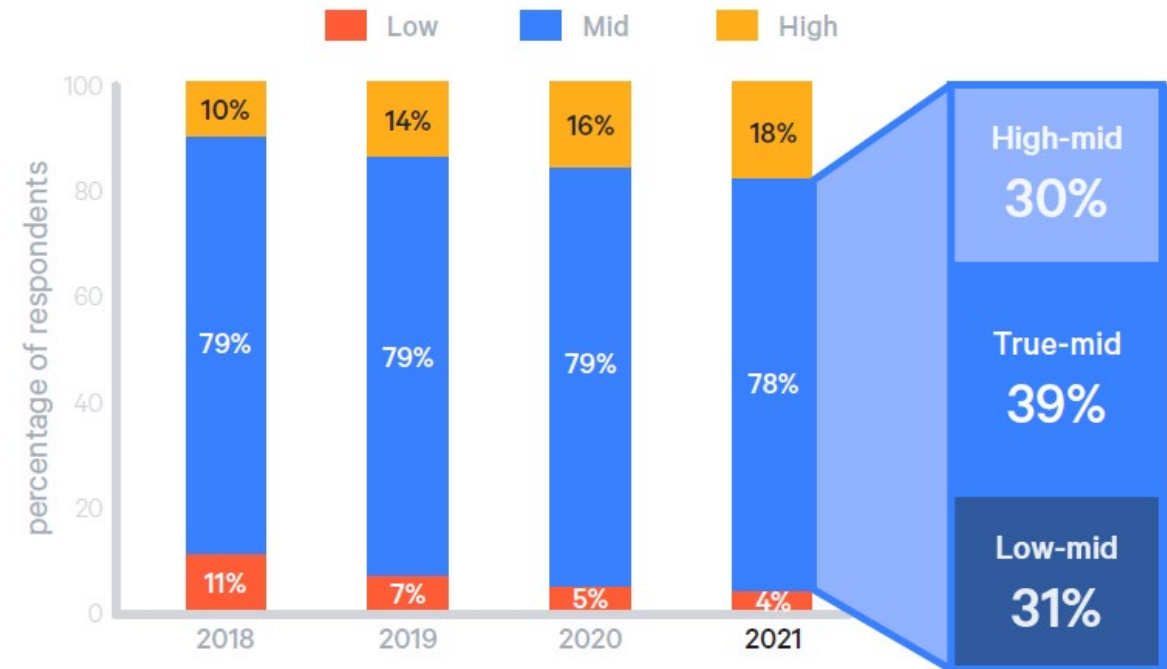
Source: 2021 Upskilling Enterprise DevOps Skills Report



Source: SecurityCompass – 2021 State of DevSecOps Report

Stuck in the Middle

- 83 percent of IT decision makers report their organization is implementing DevOps practices
- A vast majority of organizations are stuck in the middle
- Blockers at the higher end of the middle include
 - ✓ Insufficient feedback loops (18 percent)
 - ✓ Unclear responsibilities (18 percent)
 - ✓ Failure to share best practices (17 percent)
- Blockers at the lower end of the middle
 - ✓ Are initially a mixture of technical and culture
 - Organizational buy-in
 - Risk aversion
 - Imperfect feedback loops
 - Sub-optimal team definitions and interactions
 - ✓ Become in time almost entirely cultural



What's Getting in the Way?

- Structural barriers
- Cultural inhibitors
- Process challenges
- Technology challenges

Cultural Inhibitors



No DevOps
Mindset



Fear and Resistance
to Change



Organizational Structures
Prohibiting Progress



Buy In from Senior
Managers for Change
Does Not Exist



Generational and
Multicultural Issues
which Limits Progress



Lack of Training and
Therefore Resistance to
New Operating Models



Communication and
Language Issues Between
Teams and Between
Teams and Management



Dependency on Other
Teams Limits Progress




Project vs.
Product Mindset



Tough to
Unlearn Behavior



Where We Go From Here?



“A relentless barrage of “why’s” is the best way to prepare your mind to pierce the clouded veil of thinking caused by the status quo.”

Shigeo Shingo



We Challenge the Status Quo

Embrace guiding principles

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

Learn from high performers

- Put the business first
- Master technology
- Invest in speed
- Make customers a priority
- Be proactive

Source: Atlassian/HDI Research – 5 Qualities of High-performing IT Teams

Figure out how progressive practices and emerging technologies (e.g., AI, machine learning) can augment your work to increase efficiency, improve productivity and free you up to innovate.

Hone Your Skills



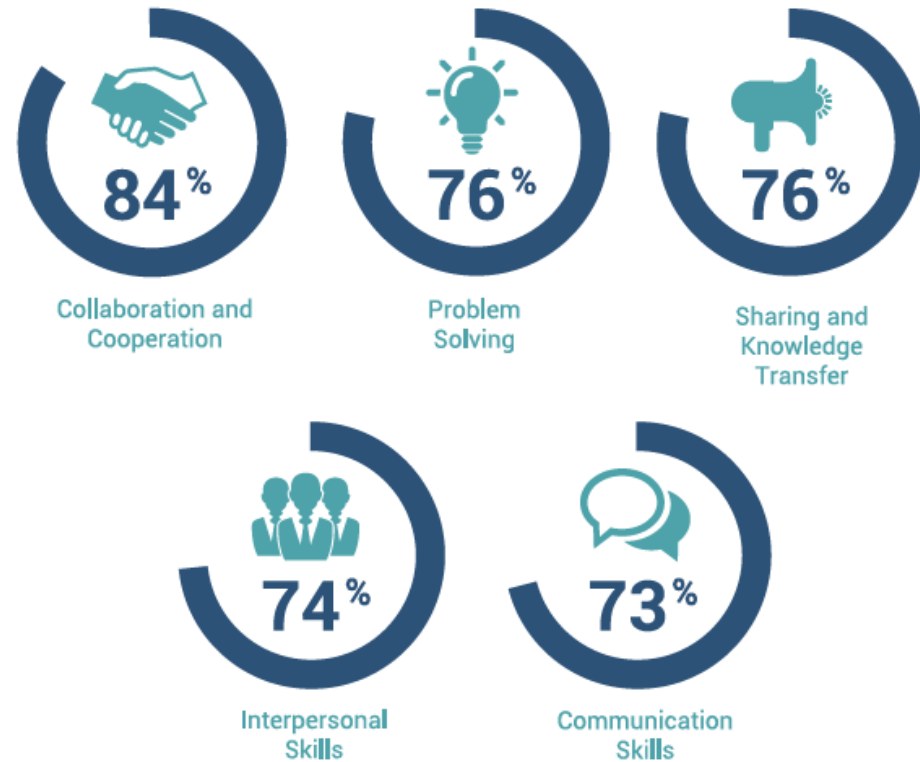
Workforce Development

- In May 2019, almost 90 percent of executives and managers surveyed said their companies faced skill gaps or expected to in the next five years (McKinsey)
- Only a third said they were prepared to deal with the issue
- Successful reskilling starts with knowing
 - ✓ What skills are needed, both right now and in the near future
 - ✓ Offering tailored learning opportunities to meet them
 - ✓ Evaluating what does and doesn't work
- Look not only at what skills are in demand
 - ✓ Technology integration and implementation skills (47%)
- But also what skills are lacking
 - ✓ Organizational change management (36%)
 - ✓ Strategy building (34%)

Foster a culture of continual experimentation and learning.

Just Be Human!

Top 5 Human Skills



Source: 2021 Upskilling Enterprise DevOps Skills Report

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Think About Sustainability

- In the very near future, [focusing on sustainability] will be as fundamental to doing business as compiling a balance sheet (McKinsey)
- The ITIL® 4 Specialist: Sustainability in Digital and IT course provides the practical skills necessary to enable an organization to deliver value by introducing sustainable practices



Think Globally, Act Locally



Want to Learn More?



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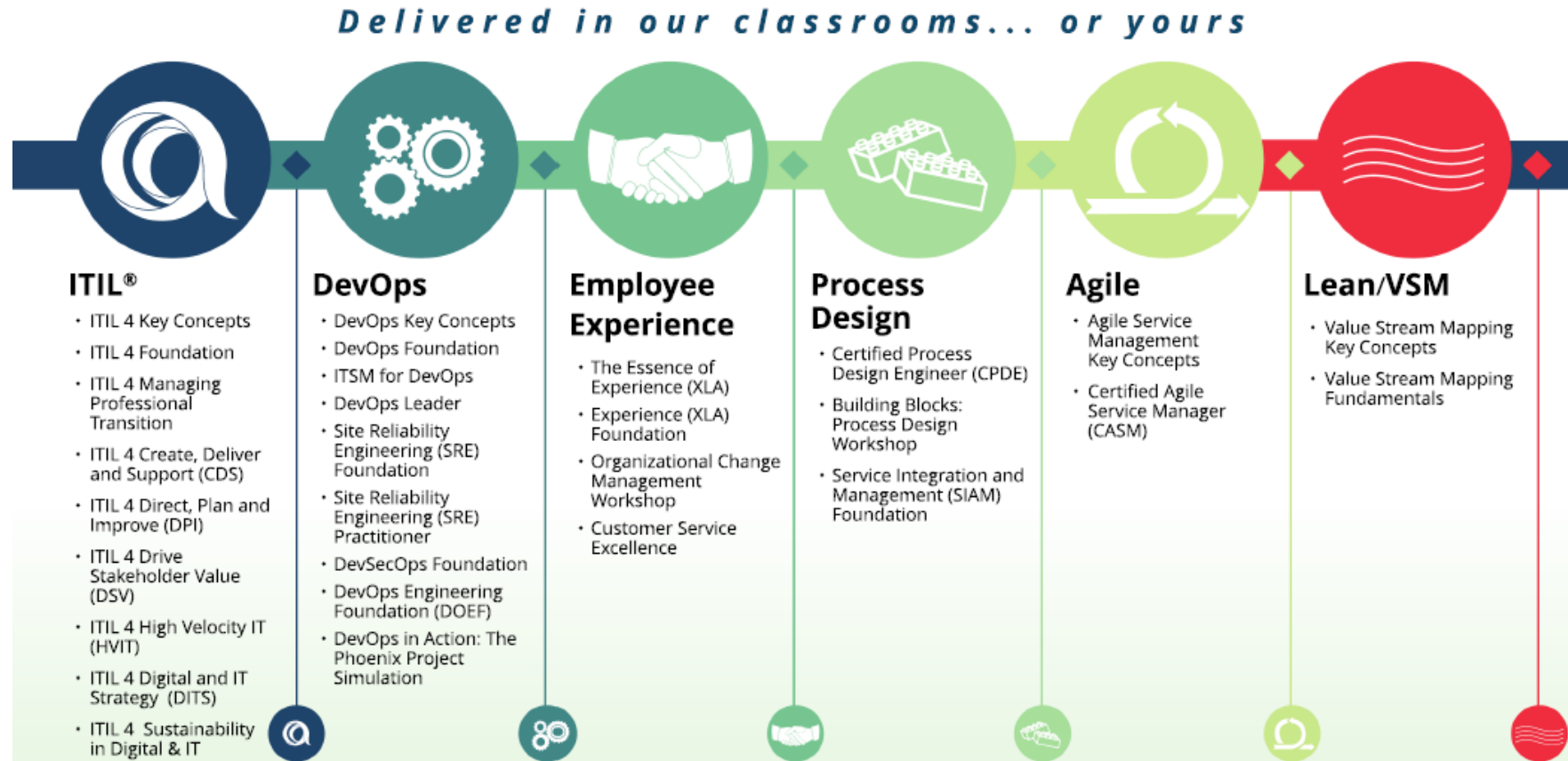
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Thank You for Attending!