State of ITSM *and*… 2025

…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 Engineering

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- 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

2025 CEO Priorities

- Continued adoption of AI
- Business growth
- Core business transformation
- Talent acquisition and transformation
- Supply chain optimization
- Navigating geopolitical and economic uncertainty
- Sustainability and ESG commitments
- Operational efficiency
- Cost optimization

2025 CIO Priorities

- Cybersecurity
- AI and automation
- Digital transformation acceleration
- Data management and analytics
- IT service reliability and availability
- Talent acquisition and development
- Energy and sustainability
- Operational efficiency
- Cost optimization

Sustainability has become a core business imperative and is being integrated into business strategies to meet stakeholder expectations and drive long-term value.

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Heading Into 2025….

- AI initiatives shift from experimentation to expectations of ROI
- Operating models are evolving
- Job roles are emerging, evolving, and declining
- Technology is expected to be a key driver for innovation, competitive advantage, sustainable, and human-centric business practices
- The IT talent shortage and widening skills gap is having an impact

68%of US CEOs say in the next three years GenAI will significantly change how their company creates and delivers value. (PWC)

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The IT Skills Gap

- Nearly all tech leaders (95%) report challenges finding skilled talent (Robert Half)
- More than half (51%) predict a significant hiring challenge will be a lack of applicants with the skill sets needed to support essential initiatives (Robert Half)
- Product release timelines, customer satisfaction, and revenue goals are affected —leading to an estimated $6.5 trillion loss by 2025 (IDC)
- Nearly 80% of organizations have abandoned projects partway through because they don't have employees with the necessary IT skills (Pluralsight)

In Demand Tech Skills

- AI and ML
- Cloud computing
- Cybersecurity
- Software development
- Data analytics
- Blockchain technology
- Edge computing
- DevOps
- Augmented and virtual reality
- Task and workflow automation

In the next 10 years, intelligent automation could free up to 30 percent of IT workers' time, changing the skills that are in demand. (Workday)

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The Rise of Hybrid Roles

- Data scientist with business strategy skills
- Cloud architect with project management skills
- Cybersecurity analyst with regulatory knowledge
- AI product manager
- Software developer with UX/UI expertise
- ITSM analyst with data analytics skills
- DevOps specialist with communication skills
- Service delivery manager with leadership and customer experience skills
- Organizational change manager with AI/automation expertise
- IT operations manager with a sustainability focus

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ITSM and… AI

~~IT~~ *Service management is a set of specialized organizational capabilities for enabling value for customers in the form of services. (ITIL 4)*

Almost all services today are IT enabled.

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ITSM and AI Use Cases

- Predictive Analytics
- AIOps (AI for IT Operations)
- AI-powered knowledge management
- Generative AI
- Robotic Process Automation (RPA)
- Natural Language Processing (NLP)
- Agentic AI (Autonomous Agents)

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The Hot Trend for 2025 - Agentic AI

- Agentic AI can make decisions, take actions, and solve problems with minimal human intervention
- Agentic AI systems are designed to be goal-oriented and can learn and adapt based on new information
- Features include
  - ✓ Autonomy
  - ✓ Adaptability
  - ✓ Goal oriented

- ServiceNow
- BMC Helix ITSM
- Freshworks Freshservice
- Ivanti Neurons for ITSM
- ManageEngine ServiceDesk Plus
- Jira Service Management
- Cherwell Service Management (now Ivanti)
- CA Service Management (Broadcom)
- HaloITSM

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Skills Related to Agentic AI Systems

- Programming and development
- AI and machine learning knowledge
- Systems integration and automation
- Data engineering and analytics
- Cloud and distributed systems expertise
- Security and risk management
- ITSM and domain knowledge
- Problem-solving and critical thinking
- Process optimization
- Communication and collaboration
- Ethical AI and governance

Programming agentic AI systems requires a combination of AI expertise, software development skills, and domain-specific knowledge like ITSM or DevOps.

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Recognizing the Need for Continuous Upskilling

Related Roles

- AI/ML engineers
- Software developers
- Data engineers
- ITSM specialists
- Cybersecurity professionals
- Project managers or product owners

Getting Started

- Choose a focus area
- Build core technical skills
- Gain domain knowledge
- Work on small or stretch projects
- Pursue certifications
- Collaborate, experiment and learn

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Avoiding AI Adoption Pitfalls

Common AI Adoption Patterns

- Task-level automation (i.e., repetitive, manual, or time-consuming activities)
  - ✓ Easiest to identify and automate
  - ✓ Provides immediate efficiency gains
  - ✓ Frees up employees for higher-value work
- Process-level automation (i.e., end-to-end workflows)
  - ✓ Helps to improve speed, accuracy, and consistency
  - ✓ Significantly improves operational performance

A more holistic approach to AI implementation ensures that task-level improvements are aligned with broader process and value stream goals.

The Downside of Task-level Automation

- Local optimization can occur when improvements made at the task level do not translate to overall process or value stream improvements
- Efficiency gains in specific tasks can inadvertently create new challenges or inefficiencies in the wider ITSM environment
- Consideration must be given to
  - ✓ End-to-end workflows
  - ✓ Resource management
  - ✓ Communication
  - ✓ Overall service quality
  - ✓ Customer and employee experiences

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ITSM *and*… Agile

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Agile Trends

- Back to basics
- Hybrid roles
- Cross-function team structures
- Leaner practices
- Adaptations to support remote and hybrid work
  - ✓ Asynchronous and synchronous activities
  - ✓ Living documents

The Numbers

- 97% adoption rate
- 75% adoption rate
- 70% use Scrum
- 50% use Kanban
- 65% use a scaled Agile framework
- 35% use SAFe
- 32% use OKRs

Source: 17th Annual State of Agile Report

Adapted source: EasyAgile

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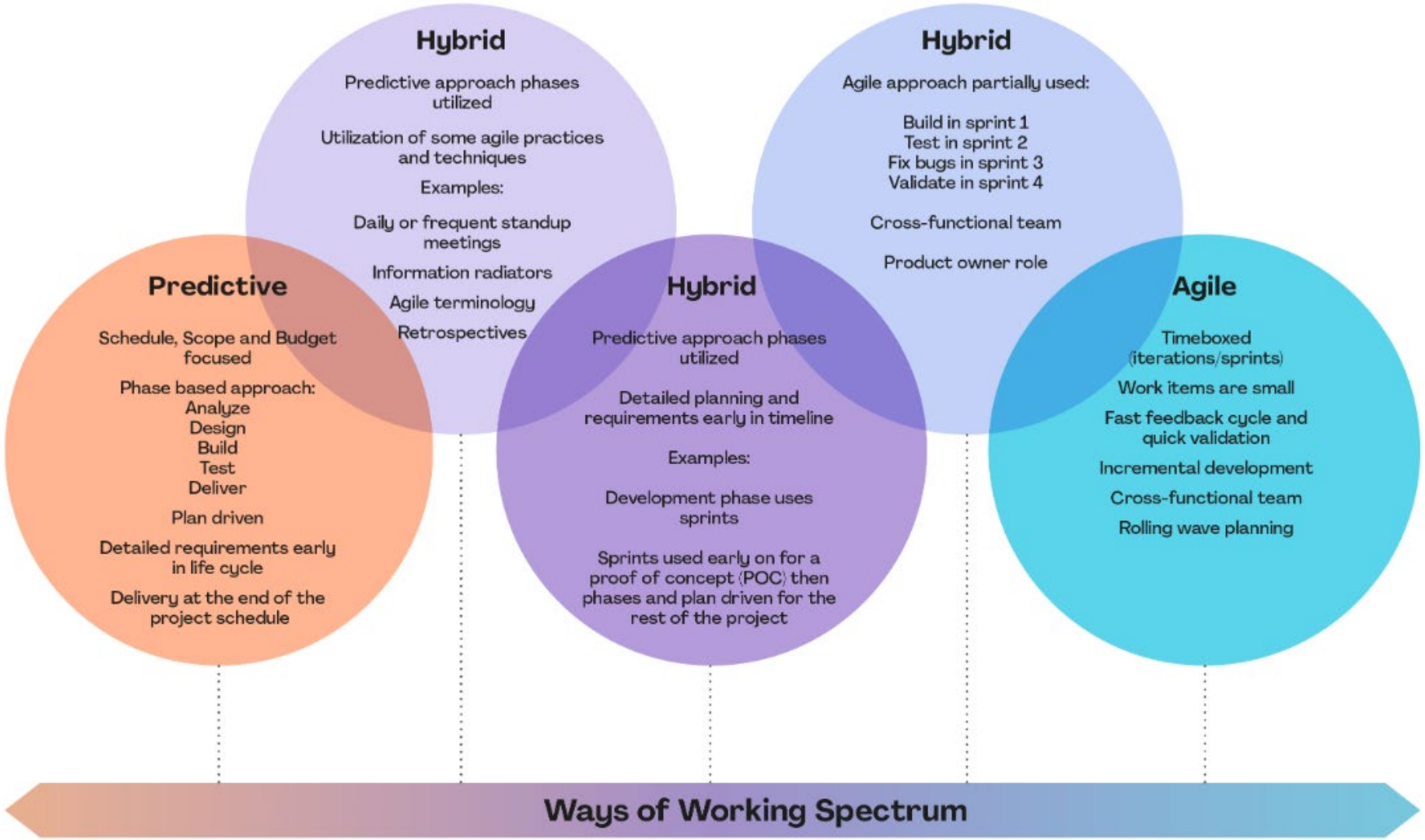
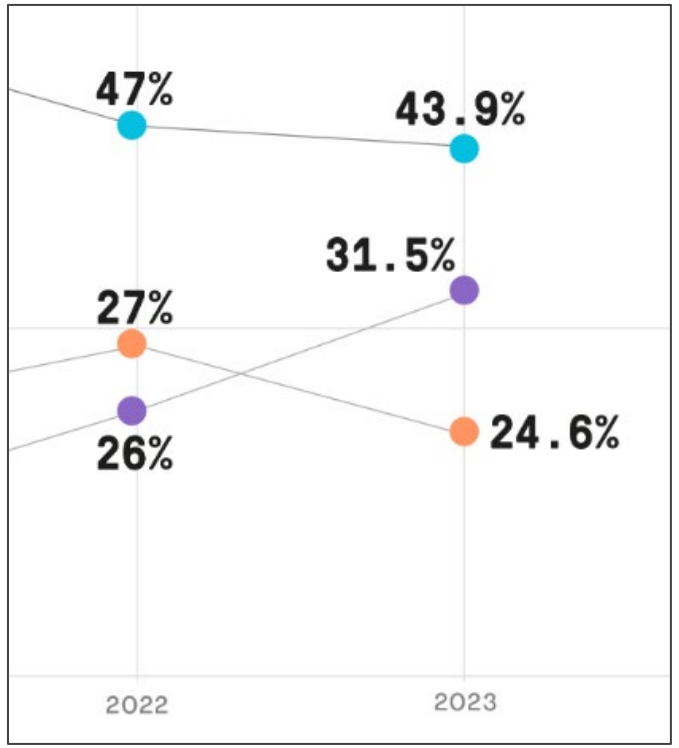
Hybrid Agile is on the Rise





Patterns of Approaches

- 38% Chiefly predictive with small agile components
- 37% Combination of predictive and agile
- 15% Chiefly agile with small predictive components
- 8% Agile development with predictive rollout

PMI Annual Global Survey on Project Management

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AI and Agile

- 21% are using AI always or often in the management of projects
- 82% of senior leaders say AI will have at least some impact on how projects are run at their organization over the next five years.
- 91% believe AI will have at least a moderate impact on the profession[1]
- 58% believe it will have a "major" or "transformative" impact.[2]

Agile and AI

- Data analysis
- Predictive analytics
- Automaton
- Refining user stories
- Identifying constraints
- Prioritization

[1]2023 PMI Annual Global Survey
[2]Unpublished PMI Customer Experience (CX) survey

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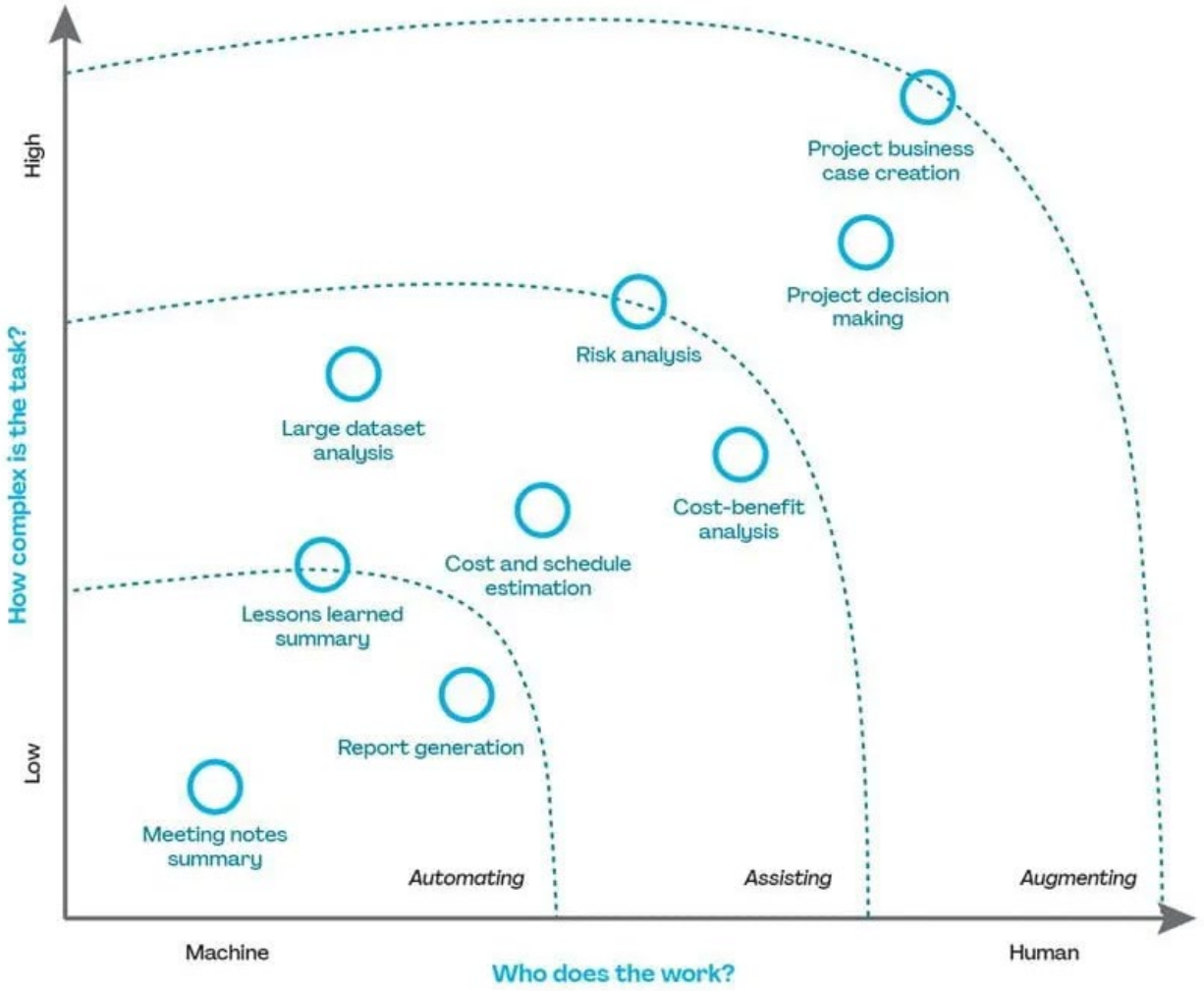
Who Does the Work?



Source: PMI Shaping the Future of Project Management With AI

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ITSM *and*… DevOps

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State of DevOps (DORA)

Key Outcomes

- Organizational performance
- Team performance
- Employee well-being

Performance Measures

- Software delivery performance
- Operational performance
  - ✓Reliability
- User-centricity

The best results are seen when both software delivery and operational performance come together to drive organizational performance and employee well-being.

Source: 2024 Accelerate State of DevOps Report

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Performance Levels

- Software Delivery Performance (Throughput and Stability)

Performance metrics	Elite	High	Medium	Low
Deployment frequency	On demand (multiple deploys per day)	Between once per day and once per week	Between once per week and once per month	Between once per month and once every six months
Lead time for changes	Less than one day	Between one day and one week	Between one week and one month	Between one month and six months
Failed deployment recovery time	Less than one hour	Less than one day	Between one day and one week	Between one week and one month
Change failure rate	5%	20%	10%	40%

Source: 2023 Accelerate State of DevOps Report

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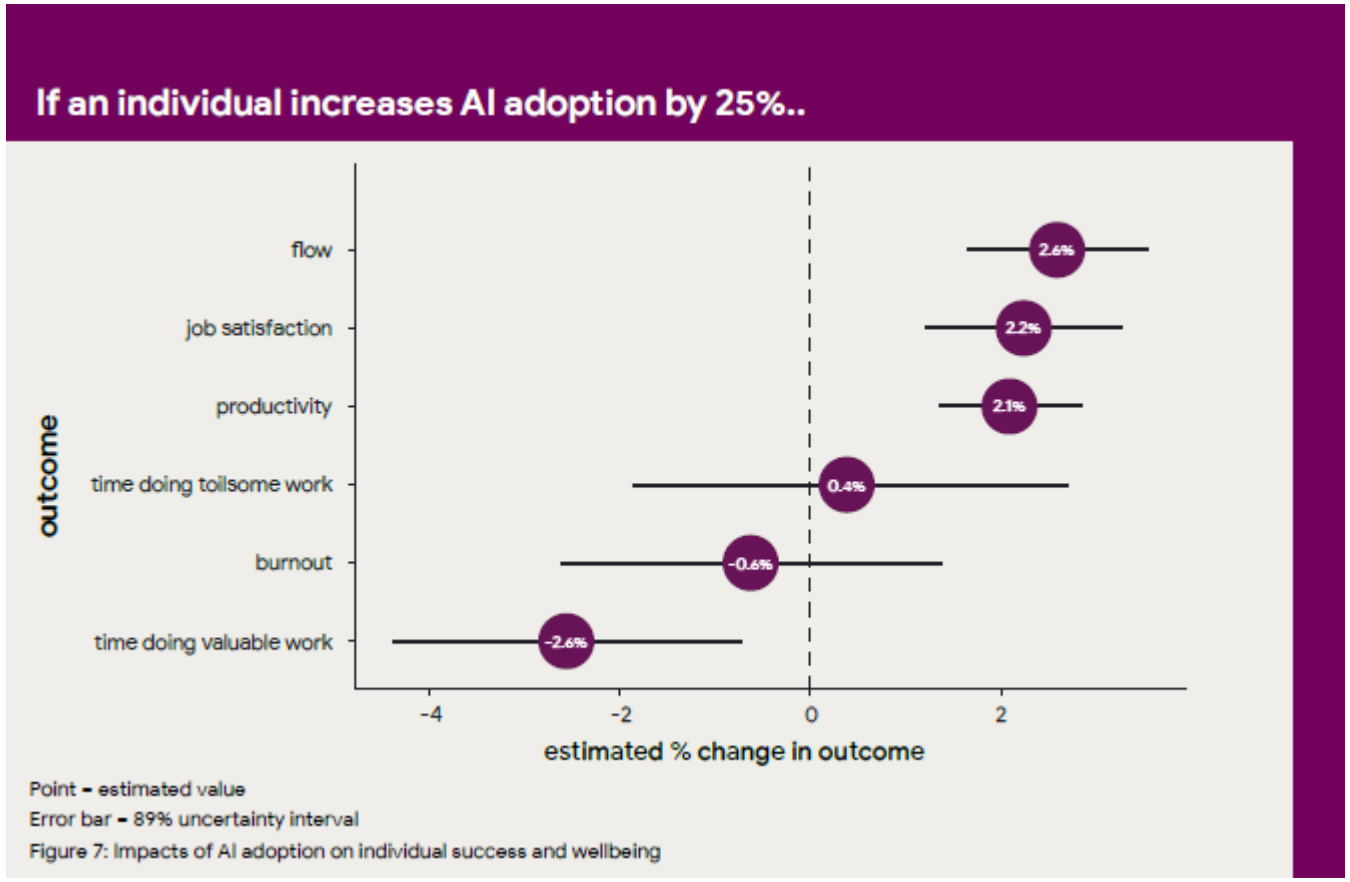
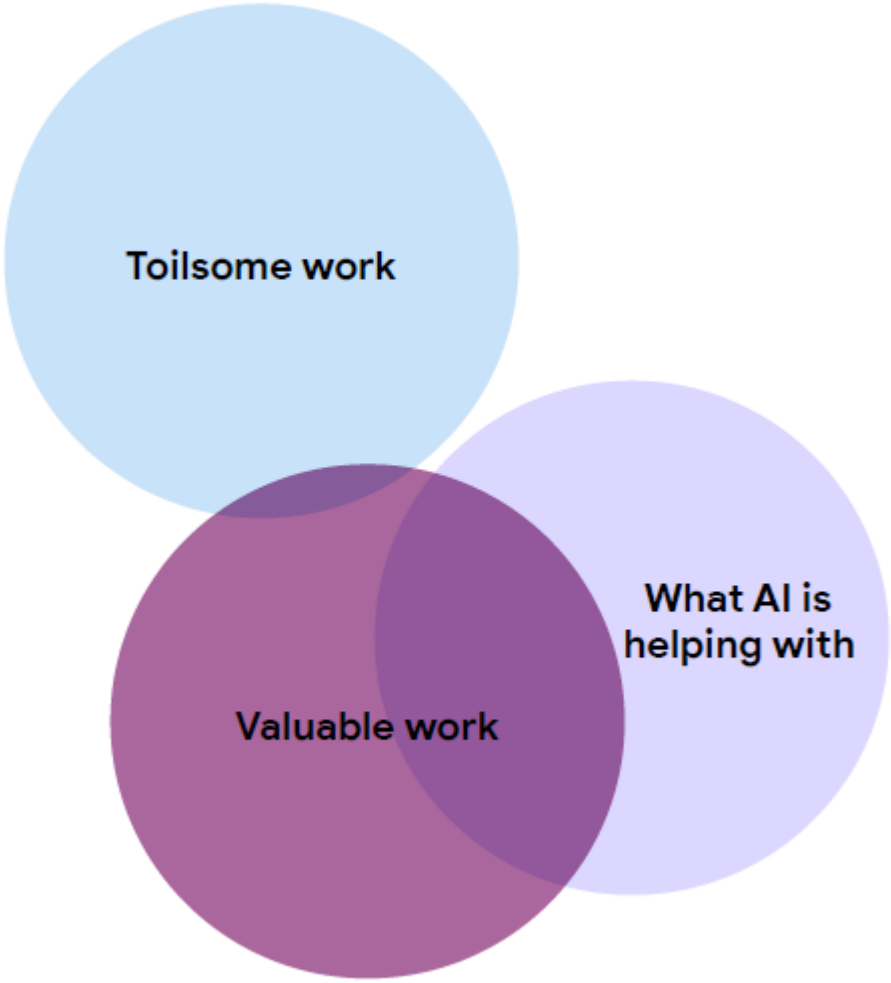
DevOps and AI





Source: 2023 Accelerate State of DevOps Report

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Trust in AI-Generated Code

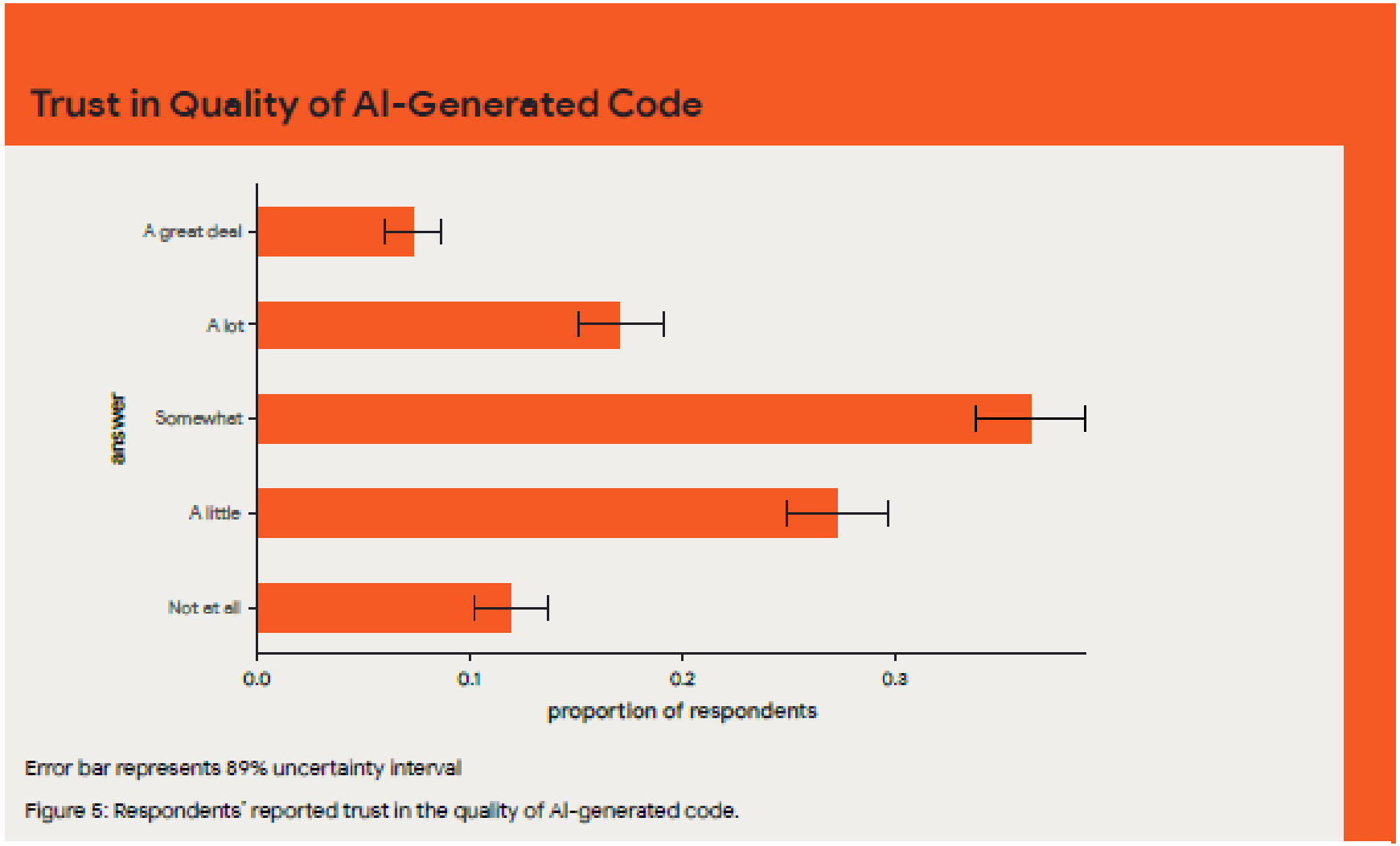

Figure 5: Respondents' reported trust in the quality of AI-generated code.

Source: 2024 Accelerate State of DevOps Report

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Sustainability and AI

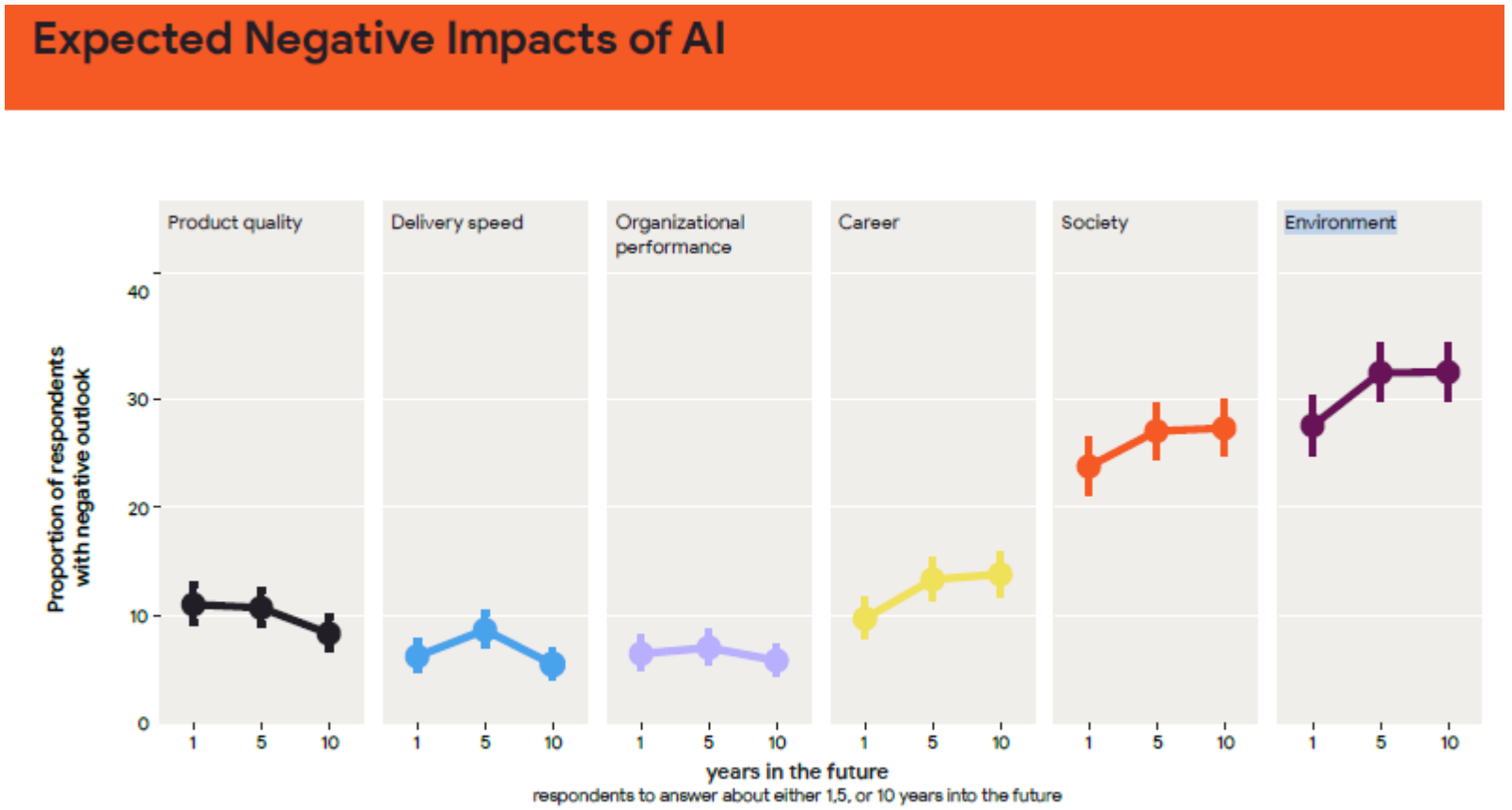

Figure 6: Respondents' expectations about AI's future negative impacts in the next one, five, and 10 years.

Environmental Impact

- Some estimates suggest that by 2030, AI will drive an increase in data center power demand by 160%
- The training of an AI model can add up to roughly "the yearly electricity consumption of over 1,000 U.S. households"

Source: 2024 Accelerate State of DevOps Report

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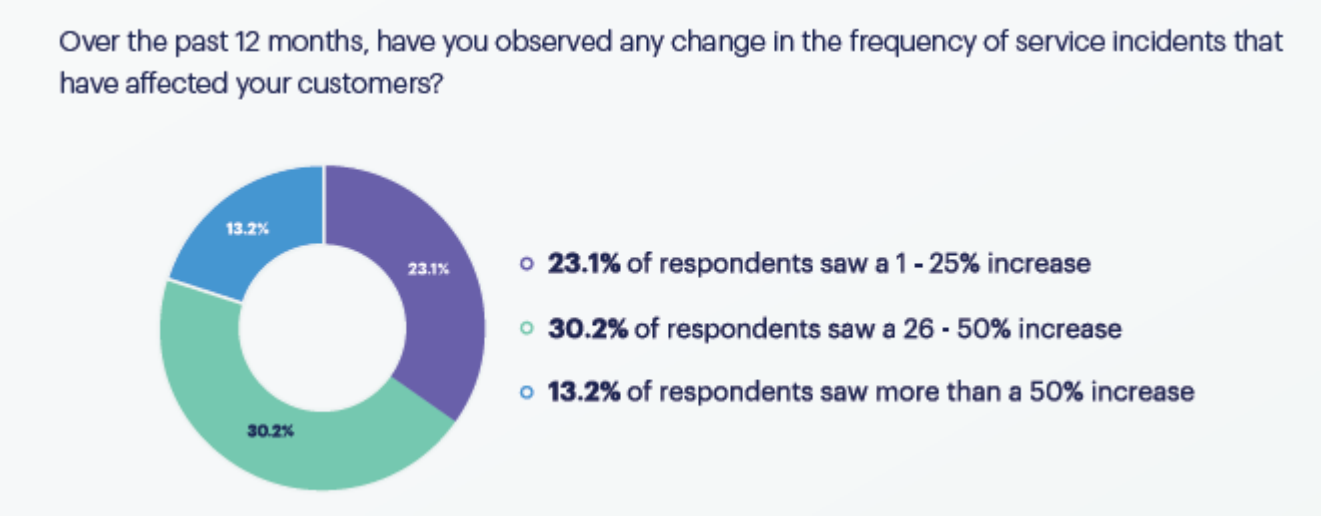
The Incident Management Paradox

- 66.5% reported an increase in the frequency of service incidents that have affected their customers
- 62.3% of those who have a defined incident management process observed an increase in the amount of time it takes to resolve incidents
- The lack of unified communication with teammates (people are collaborating using disparate tools) along with manual communications and workflows are causing delays in solving incidents
- Delays in resolving incidents have consequences



Source: 2023 State of DevOps Automation and AI

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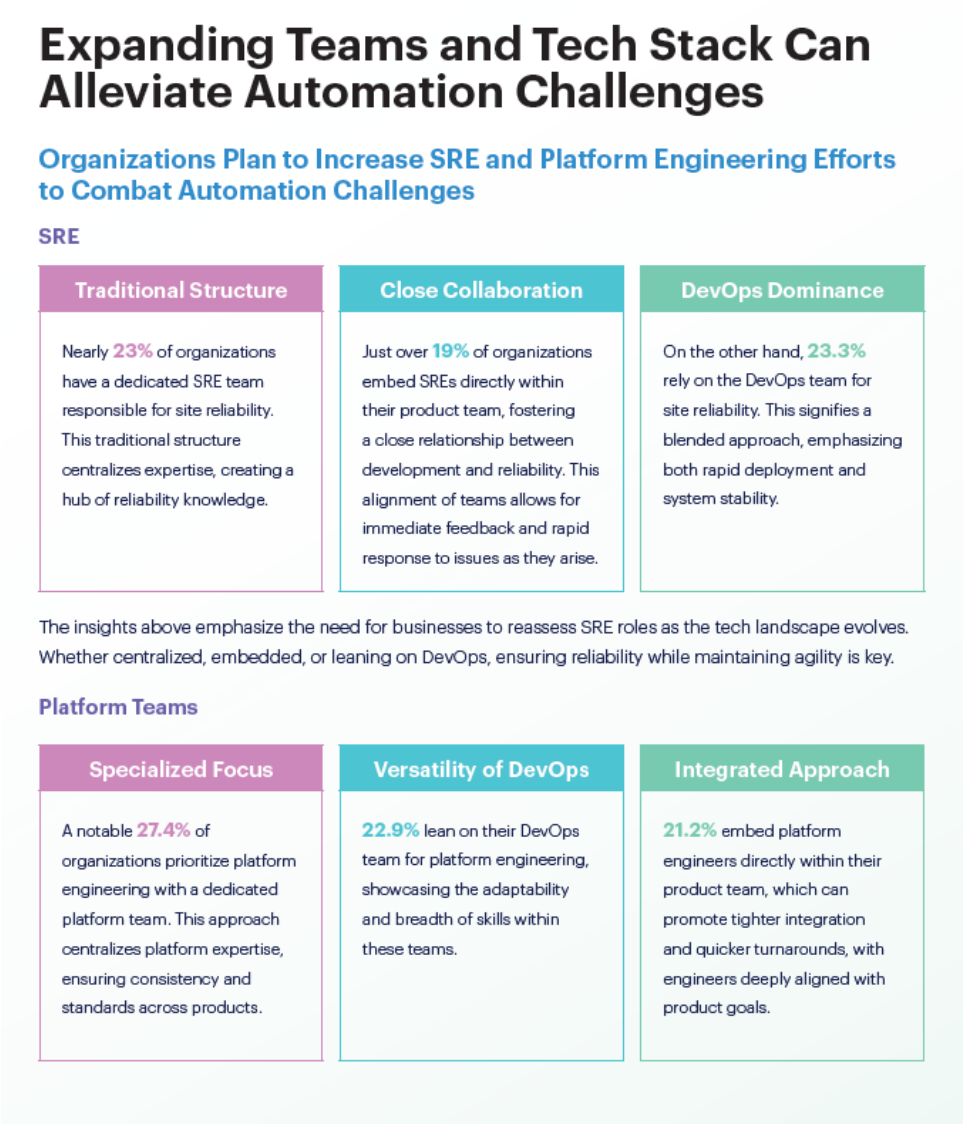
Reducing Automation Challenges

- 69.3% of all survey respondents said their team's headcount is expected to increase in the next 12 months
- 61.5% cite an increased focus on SRE practices within their organization in the past 12 months and plan to hire more site reliability engineers or individuals with site reliability engineering experience in the next 12 months
- Over half of respondents (57.5%) cite an increased focus on platform engineering practices in their organization in the past 12 months and plan to hire more platform engineers or individuals with platform engineering experience in the next 12 months



Expanding Teams and Tech Stack Can Alleviate Automation Challenges

Organizations Plan to Increase SRE and Platform Engineering Efforts to Combat Automation Challenges

SRE

Traditional Structure	Close Collaboration	DevOps Dominance
Nearly 23% of organizations have a dedicated SRE team responsible for site reliability. This traditional structure centralizes expertise, creating a hub of reliability knowledge.	Just over 19% of organizations embed SREs directly within their product team, fostering a close relationship between development and reliability. This alignment of teams allows for immediate feedback and rapid response to issues as they arise.	On the other hand, 23.3% rely on the DevOps team for site reliability. This signifies a blended approach, emphasizing both rapid deployment and system stability.

The insights above emphasize the need for businesses to reassess SRE roles as the tech landscape evolves. Whether centralized, embedded, or leaning on DevOps, ensuring reliability while maintaining agility is key.

Platform Teams

Specialized Focus	Versatility of DevOps	Integrated Approach
A notable 27.4% of organizations prioritize platform engineering with a dedicated platform team. This approach centralizes platform expertise, ensuring consistency and standards across products.	22.9% lean on their DevOps team for platform engineering, showcasing the adaptability and breadth of skills within these teams.	21.2% embed platform engineers directly within their product team, which can promote tighter integration and quicker turnarounds, with engineers deeply aligned with product goals.

Source: 2023 State of DevOps Automation and AI

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Let's Bring in DevSecOps

- DevSecOps is becoming a mainstream practice
- Adoption is highest in industries such as finance, healthcare, and technology, where security and compliance are critical
- 96% of respondents believed their organizations would benefit from automating security and compliance processes—a core principle of DevSecOps (Security Compass)
- DevOps practices have led to 60% of developers releasing code twice as quickly. But increased speed creates a tradeoff: Nearly half of organizations consciously deploy vulnerable code because of time pressure. (GitLab)

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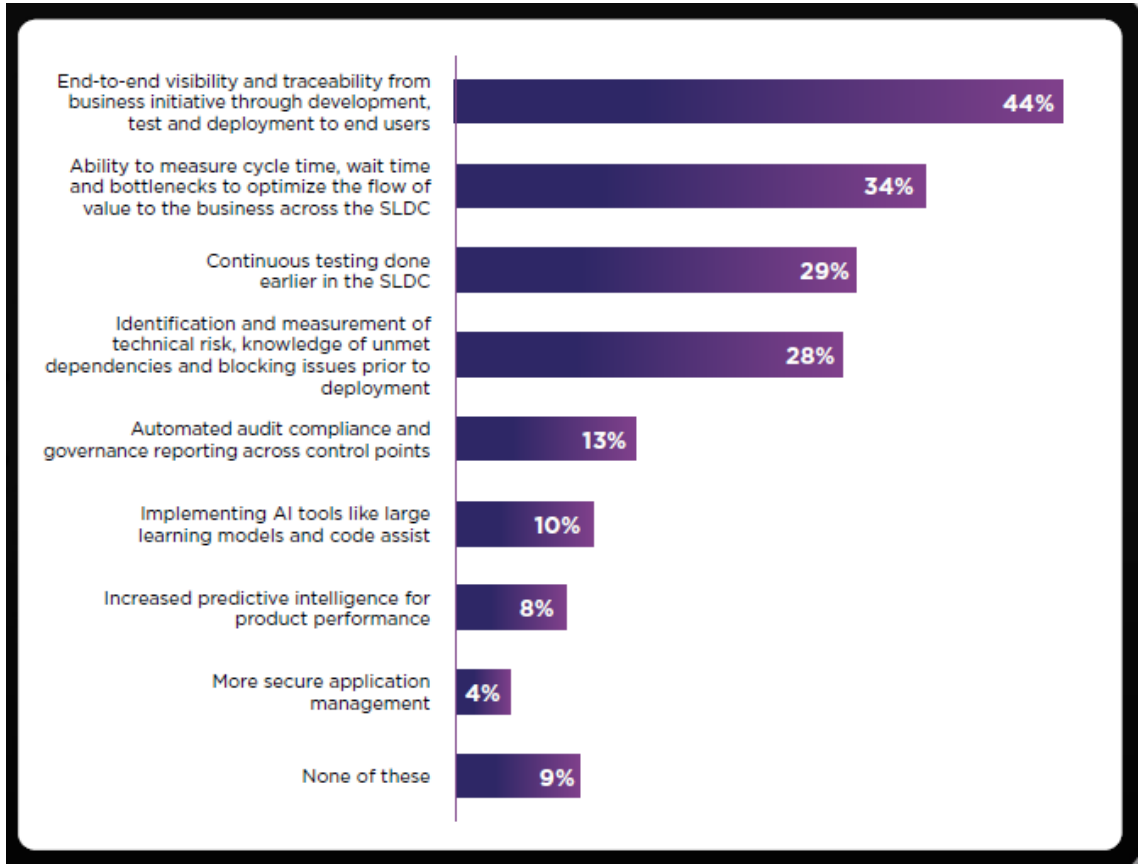
What Else Would Help?

Year after year, the wishlist for better DevOps via Agile is topped by the same two concepts

- End-to-end visibility
- The ability to measure cycle and wait times and bottlenecks



Source: 17th Annual State of Agile Report

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ITSM *and*… Value Stream Management

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Organizing for Flow

When you organize for flow, you refocus the relationships between organization roles, and teams.

- Teams are 2x as likely to have connected their value streams in 2023 than 2022
- Elite & high performers are 3-4x more likely than low performers to align people to value streams
- Connecting value streams means teams are 4x as likely to have a lead time less than 1 hour

Source: 2023 State of Value Stream Management Report

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The Value Perspective

- At the core of VSM is customer focus
- The highest performing organizations are most likely to prioritize customer value
- They make the connection between customer and business value

Source: 2023 State of Value Stream Management Report

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Value Measurement Comes of Age

- New advancements in technology are increasingly making it possible to monitor value realization
- Value outcome expectations are being defined earlier (e.g., during business stakeholder meetings or as a part of market research)
- Organizations increasing recognize the interconnectedness between customer, user, and employee experiences
- 15% increase in the practice of continuous value measurement
- 85% of respondents are creating value hypotheses
- The bigger the work item, the more likely it will have a value hypothesis
- Higher performing organizations are more granular in their approach

"As Agile and DevOps ways of working direct behavior towards working in ever smaller batch sizes, we expect the user story to be the ultimate work item to measure in terms of value…

…if we want real-time insights into customer experience based on the work we are doing, we have to be able to measure the work as it's released in these small work items."

Source: 2023 State of Value Stream Management Report

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The Power of ITIL

Business Drivers	ITIL Benefits
Ensuring continuous business operations	80% of organizations have seen a reduction in service-related problems after adopting ITIL, enabling a more responsive and stable business focused on strategy and growth.
Accelerating sustained service quality & experience	73% of IT organizations have achieved significant improvements across service experience and service quality.
Optimizing service value & investments	70% of organizations that have adopted ITIL, have realized operational cost reductions of more than 10%.
Optimizing & enabling partner & supplier ecosystem	93% of organizations have seen improvements within their partner ecosystem after adopting ITIL.
Ensuring business continuity	81% of organizations have seen a significant decrease in security incidents due to improved visibility and management of security incidents, avoiding business disruptions with the adoption of ITIL.
Attracting & retaining talent within IT	84% of IT organizations are successful in retaining and recruiting new talent. Defined goals and roles aligned with ITIL principles and practices make this possible.
Increasing speed of automation & innovation	75% of IT organizations ensured that they stays technologically relevant and adaptive through the adoption of ITIL.

Source: 2024 Unlocking the Power of ITIL

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Key Takeaways

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Humans are Still Essential

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Best Practices Can Help…

…But They Must be Adapted

Adopt

- They provide guidance
- They introduce principles
- They [help] define key terms and concepts

Adapt

- Get clear on *your* organization's strategies, circumstances, needs, goals and objectives
- Identify available best practices
- Understand why and under what circumstances they are recommended
- Determine which frameworks, practices and processes support your organization's current needs
- Tailor the best practices to the needs of your organization, its customers, and its employees
- Incentivize and reward behaviors that reflect the new ways of working

How the practices are applied is critical!

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Bridging the Skills Gap

Priorities Across Skill-Building Categories

Despite these stated priorities… when a budget is available, it is first for training in technology and tool development, then for developing skills around process frameworks, and finally for developing human skills.

Source: 2023 Upskilling IT Report

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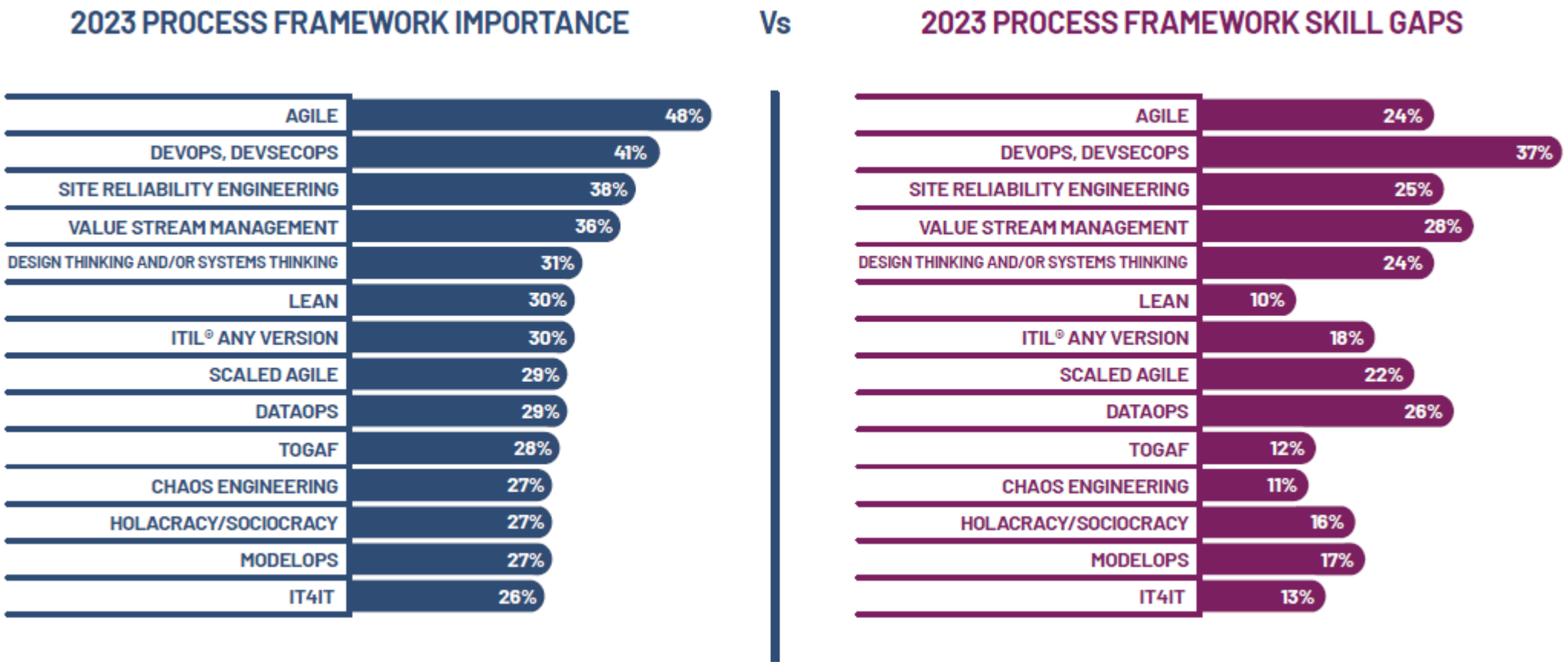
Framework Importance vs. Gaps



Source: 2023 Upskilling IT Report

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The Role of Education and Training

- Education and training are essential for closing skills gaps
- Individuals gain a competitive edge by taking training courses and acquiring certifications
- Organizations benefit from targeted training programs for employees
- Promoting a culture of continuous learning that supports personal career growth is crucial for your organization's success

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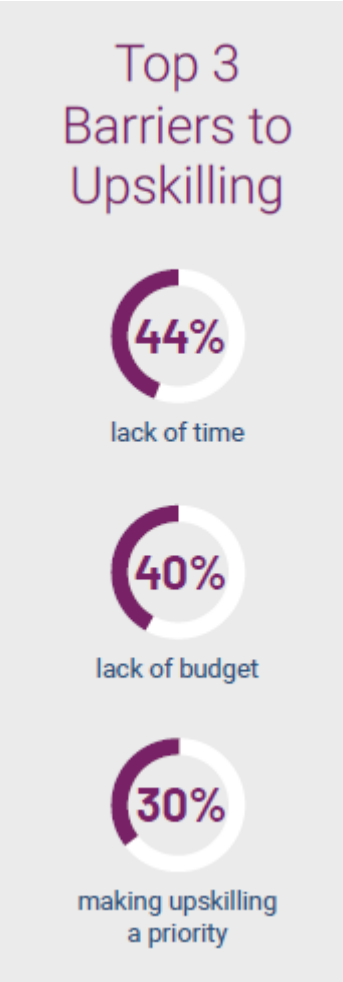
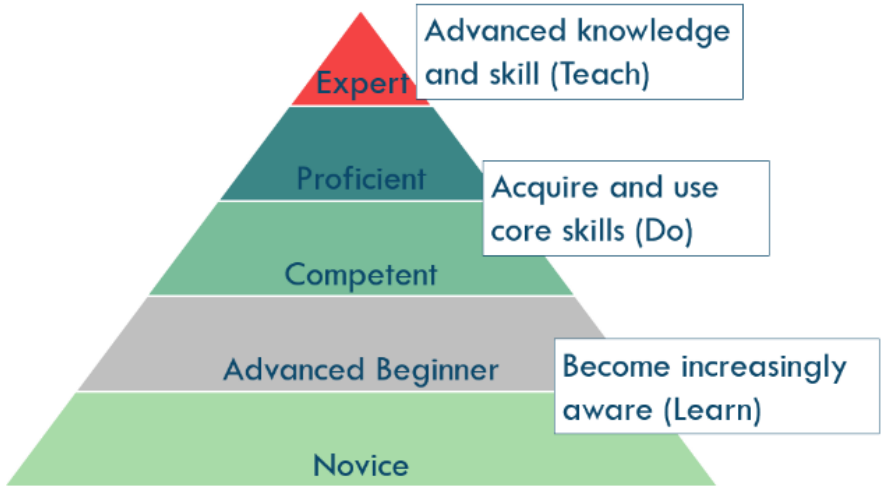
What Investments are Needed?



Flip the script

- Give people time
  - ✓ Focus on key terms and concepts
  - ✓ Support skills-based, just-in-time, and micro-learning initiatives
  - ✓ Give people time to experiment and apply what they've learned
  - ✓ Reinforce behaviors
- Allocate budget dollars
  - ✓ Ensure training initiatives support the organization's goals
  - ✓ Provide just enough training
- Make upskilling a priority
  - ✓ Develop an upskilling program
  - ✓ Assess your existing program



Assess your organization's strengths and weaknesses across a wide range of people, process, and technological capabilities to determine where and when and how to focus your efforts.

Source: 2023 State of Value Stream Management Report

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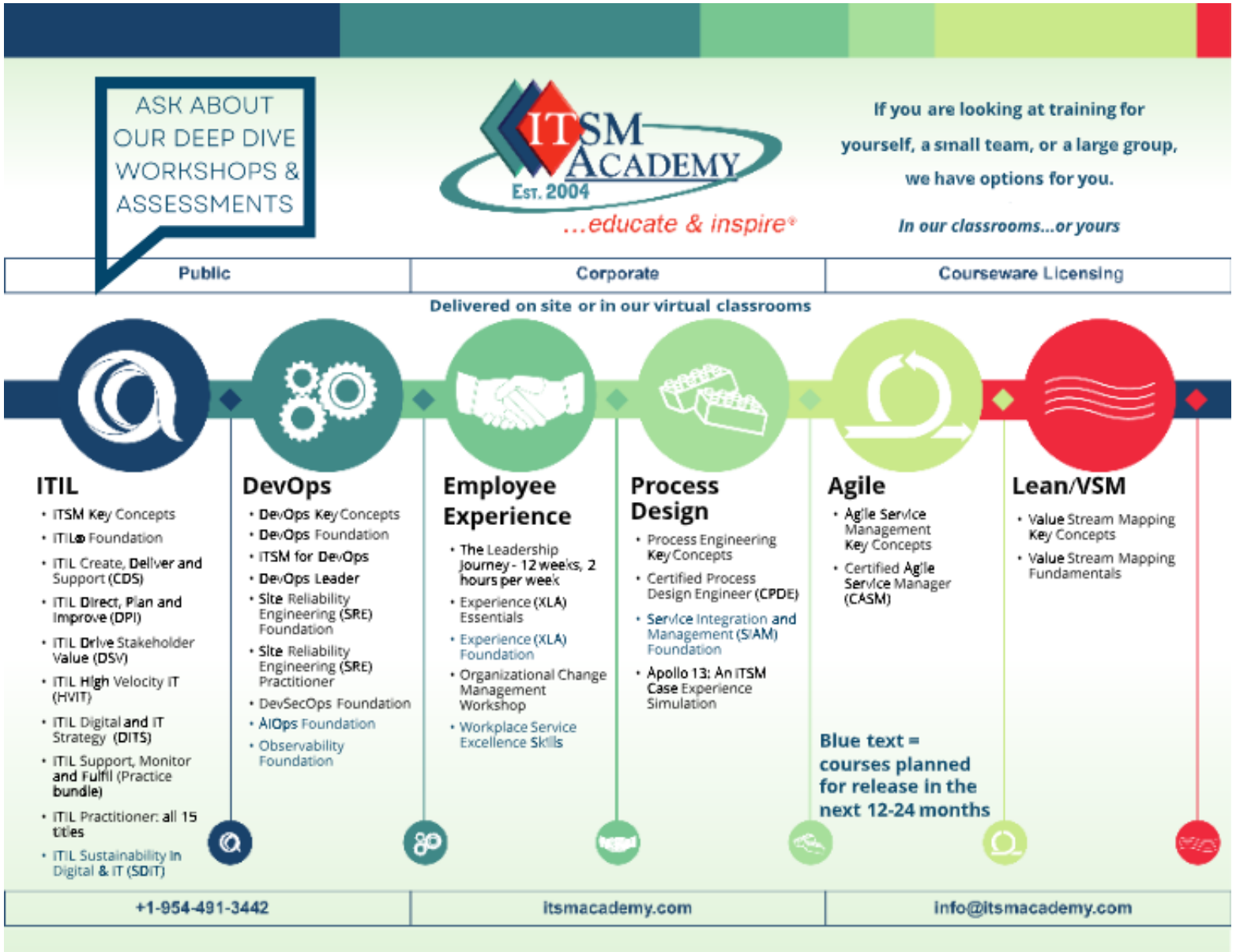

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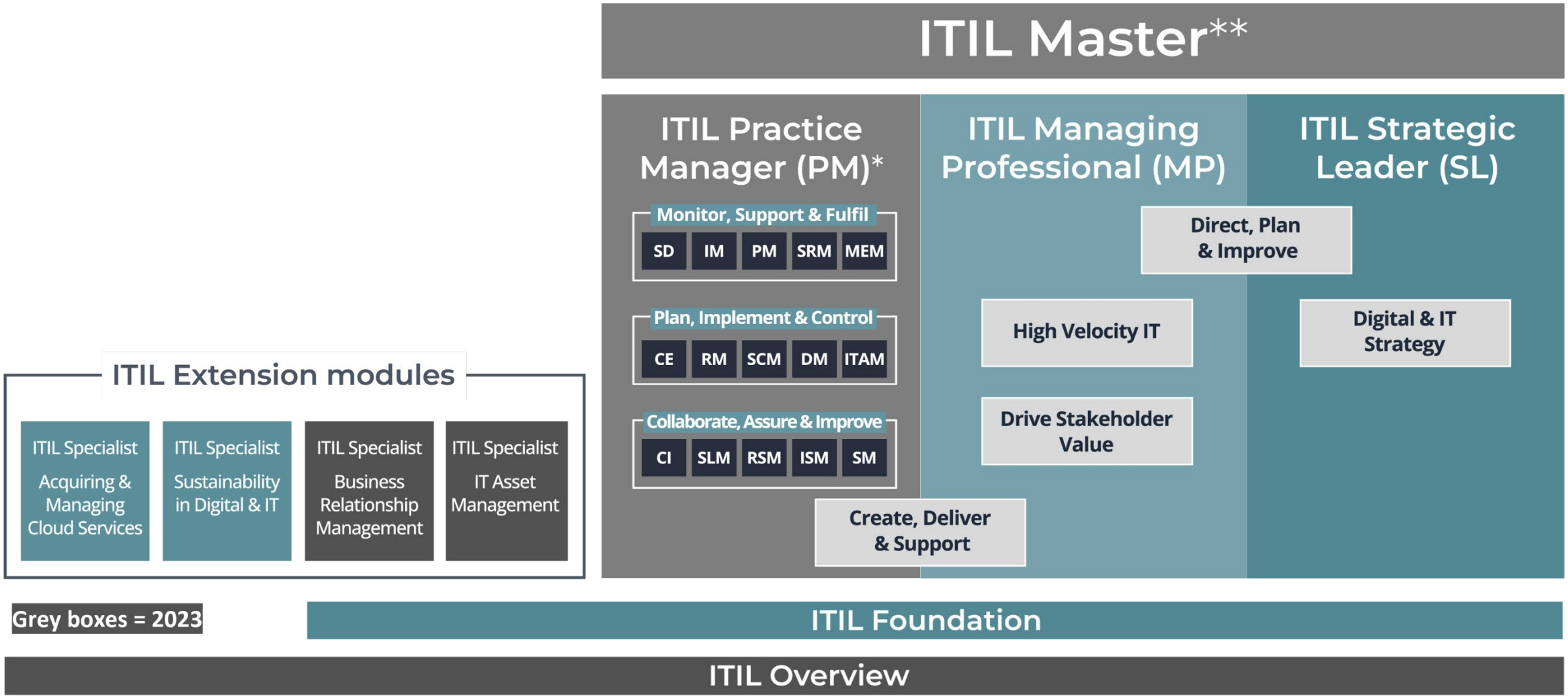

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*** ITIL4 Master will be awarded to candidates who achieve the Practice Manager (PM), Managing Professional (PM) and Strategic Leader (SL) designations.*

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