

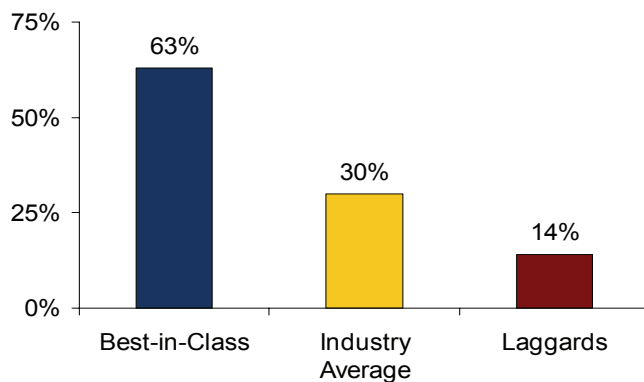
Driving Productivity through ITSM

Historically, an organization's IT department will focus on cultivating knowledge and expertise within its own silo. However, as competitive pressures intensify, enterprises are discovering how to leverage this proficiency and apply it towards streamlining the business as a whole. IT Service Management (ITSM) solutions facilitate this process by reducing the technical demands that the IT department faces, allowing them to focus on integrating technology into the business. Aberdeen's August 2007 study of nearly 300 organizations, *ITSM: IT Transforms itself into a Service*, reveals that 54% of respondents feel that meeting heightened customer expectations is the single biggest driving force behind adoption of an ITSM solution. This Aberdeen Research Brief explores how IT Service Management providers, such as Numara™ Software, are driving business value for organizations seeking to lift the technical burden from the IT department, allowing for better alignment between IT and the rest of the business.

Research Brief

Aberdeen's Research Briefs provide a synopsis of the principal findings derived from primary research, including key performance indicators, Best-in-Class insight, and vendor insight

Figure I: Cost Savings through ITSM Implementation



Source: Aberdeen Group, August 2007

Best-in-Class Defined

- ✓ On average, achieve 86% of their SLA goals
- ✓ On average, have 85% of their IT services delivered on time
- ✓ On average, experience 83% efficiency of IT processes

Best-in-Class Reap Tangible Business Results from ITSM

An ITSM solution can bring about measurable improvements across numerous IT related performance indicators such as system uptime and bandwidth utilization. Perhaps more importantly though, ITSM offers genuine enhancements to more business related metrics. Figure I depicts how the Best-in-Class are achieving **4.5-times** the cost savings of Laggard organizations, confirming that enterprises can indeed realize a significant ROI from ITSM implementation. Further to this point, Aberdeen's research demonstrates that Best-in-Class organizations achieve 86% of their Service Level Agreement (SLA) goals on average, **8.6-times** that of Laggard organizations.

Some organizations may be primarily focused on SLA management, and others may seek IT Integrated Library (ITIL) compatibility. Since enterprises vary dramatically in their IT service needs, solution flexibility and interoperability are paramount. With a particular focus on ease of use, Numara™ FootPrints 8 is a turnkey service desk software package squarely aimed at providing this very flexibility. This solution provides the benefit of business alignment with IT functionality such as IT service desk, but also seeks to provide automation of critical business processes. The customizable architecture allows an organization to direct its service desk functionality towards driving tangible business value, thus affording more opportunity for customer focus.

“Our focus on ITIL has enabled our IT organization to talk the same talk as the business. These best practice frameworks have enabled our team to increase end-user satisfaction and improve our SLAs to name a few.”

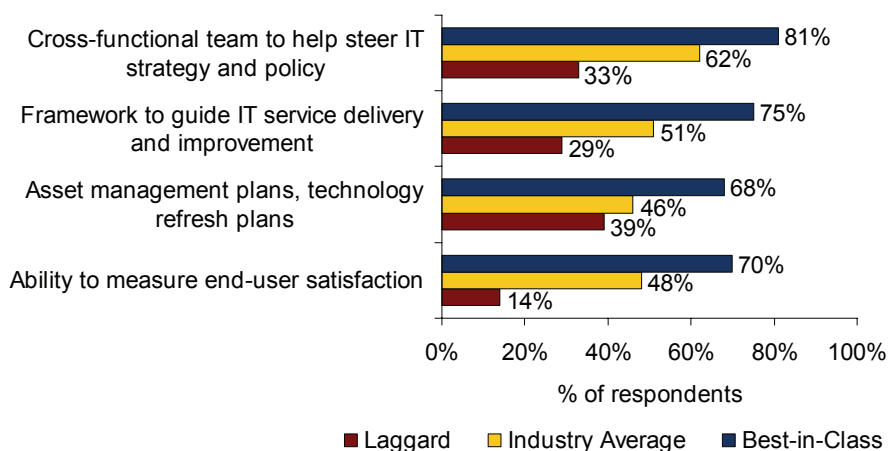
~ VP of Service Delivery

Aberdeen's research validates the importance of these solutions in revealing that 70% of Best-in-Class organizations are currently employing SLA management tools, **4.4-times** that of Laggards. By implementing these tools as part of a holistic overall service management solution, organizations can greatly improve their ability to increase end-user satisfaction.

Organizational Capabilities Foster ITSM Performance

Aberdeen's research establishes a strong link between ITSM deployment and the creation of business value. However, implementing ITSM blindly is not a valid solution to address the pressure of meeting customer expectations. An organization needs to draw on its knowledge base and build a portfolio of organizational capabilities to exploit the potential benefits of ITSM. Not coincidentally, the Best-in-Class have achieved superior performance through this very capability (Figure 2).

Figure 2: BIC Increasingly Leverage Organizational Capabilities



Source: Aberdeen Group, August 2007

Fast Facts

- √ 67% of Best-in-Class organizations have the ability to measure service delivery standards against SLA provisions, **4.5-times** that of Laggard organizations
- √ 79% of Best-in-Class organizations utilize internal collaboration on service delivery standards, **2.6-times** that of Laggards

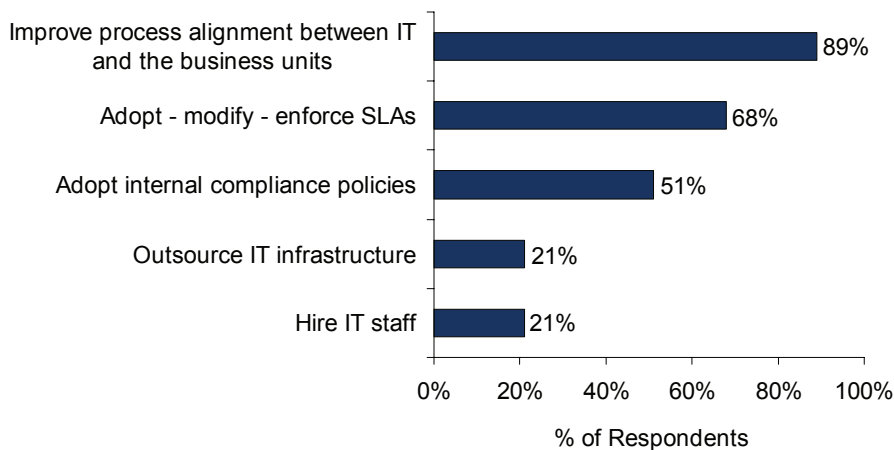
Applied in harmony with a foundation of organizational capabilities, technology enablers like Numara FootPrints can be used as a springboard for smooth implementation of ITSM. Aberdeen's research reveals that **70%** of Best-in-Class organizations are deploying SLA management tools versus **40%** of the Industry Average and only **16%** of Laggards. Additionally, a strict

adherence to a best-practices framework can promote IT improvements. According to the survey, **54%** of Best-in-Class organizations guide their IT deployments in accordance with the ITIL framework versus only **28%** of Laggards. By laying a foundation of organizational capabilities and utilizing the appropriate technology enablers, enterprises will be well suited to bring about efficient adoption of ITSM.

Key Steps to Advance ITSM

Organizations face numerous external pressures that are forcing time and resource investment in a solution such as ITSM. Closely connected to these pressures are the strategic actions that enterprises are undertaking to address the challenges of ITSM (Figure 3).

Figure 3: BIC Strategic Actions to Address ITSM



Source: Aberdeen Group, August 2007

From top to bottom, the data shows an overwhelming trend toward a focus on customers. All of the leading strategic actions point toward an enterprise wide movement toward shifting technical burden off of the organization and focusing on value delivery to the customers.

Solid process alignment between IT and the business units serves to benefit the organization utilizing ITSM by aiming the company's intellectual prowess (be it technical or business related) squarely at growth of the business and the betterment of business processes. This alignment in-turn can bring about considerable improvement across several customer-centric performance metrics, such as meeting SLA goals. Furthermore, some organizations are taking steps to remove even more technical burdens by outsourcing their IT infrastructure and staff, allowing for further concentration on their core products or services.

Conclusion

As organizations seek to apply their IT proficiency toward driving business value, many look to ITSM as an instrument for freeing up intellectual capital. While ITSM is not a "cure-all" for meeting elevated customer expectations,

Fast Facts

Top pressures driving ITSM deployment:

1. Customer expectations
2. Cost of maintaining IT infrastructure
3. Business continuity
4. Competition
5. Cost of deploying IT resources

"For years our foundation floundered using databases to try to integrate our business strategy with our IT service strategy. Our decision to implement Numara FootPrints in more than 50 separate departmental projects is the #1 reason that our IT service center is no longer considered the 'helpless desk!'"

~ Mark E. Eckert, Manager of Help Desk Operations, The Devereux Foundation

when deployed as within a holistic suite of organizational capabilities, ITSM delivers the kind of IT-business alignment that enterprises desperately need.

As a software package enabling this very alignment, Numara FootPrints is indicative of how enterprises can relieve technical encumbrance to drive down operating cost and produce a better return on IT investment. By exploiting the flexibility of such a solution, an organization can develop a broader scope of service desk capabilities and apply those capabilities towards unifying business and technical goals for enhanced customer satisfaction.

In order to capitalize on the value that ITSM promises, enterprises should focus on building a core of organizational capabilities and technology enablers. The following are a few recommendations for improvement in ITSM:

- Develop and improve the ability to measure IT performance. 86% of Laggards do not have the ability to measure end-user satisfaction and 85% do not have the ability to measure service delivery standards against SLA provisions.
- Build cross-functional (non-IT) teams to help guide the implementation of the IT strategy. Best-in-Class companies are 61% more likely than all other organizations to have a cross-functional team steering IT policy.
- Implement an ITIL framework to deliver IT services in a cost and resource-effective manner. 54% of Best-in-Class are currently using ITIL as an ITSM solution, almost 2-times that of Laggard organizations.

For more information on this or other research topics, please visit www.aberdeen.com.

Vendor Landscape

Other key vendors of ITSM solutions include:

- √ Computer Associates (CA)
- √ FrontRange Solutions
- √ HP
- √ Hornbill
- √ IBM Global Services
- √ Peregrine Systems
- √ Pink Elephant
- √ Remedy (BMC Software)
- √ Touch Paper

Related Research:	Upcoming Research:
<i>ITSM: IT Transforms itself into a Service</i> , August, 2007	<i>IT Service Management: Maximizing the Full Service Value Using ITIL</i> , June, 2008
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