The Current State Of Enterprise Service Management

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Internal, external, and cross-functional workflows and information are at the heart of how enterprises work and are essential for operating in today's competitive environment. Employees, customers, and partners must all work together leveraging different workflows, data and technologies without interruptions. In addition, Digital Transformation is omnipresent across all companies and institutions as leaders realize that their ecosystem of people, process and technology are more connected to the world around them than ever before due to an explosion in volume and variety of devices and touchpoints.

Let me first define some key acronyms before getting ahead of myself

Before we delve to far, let me first define a few key essential terms important for your continued reading pleasure.

Enterprise Service Management (ESM) leverages different capabilities to improve how individuals and teams across the organization develop, deliver, interact, and consume business services across functional departments within an enterprise. Its goal is to improve business operations by increasing employee productivity and connecting different services for outcomes. ESM has developed out of traditional IT Service Management (ITSM), with the IT Infrastructure Library (ITIL) as the de facto standard for process definitions with a global penetration of around 90%. Enterprise Service Management solutions automate workflows, correlate, and align data and assets, and leverage intelligence to analyze, manage and deliver services. In addition to IT, service offerings typically include (1) Human resources, (2) Vendor management, (3) Technical services, (4) Field services, (5) Financial management and (6) Shared services organizations.

Employee Experience (EX) is the total experience an employee has with its employer throughout the journey or relationship. The start of the journey is typically during the recruitment phase and continues throughout the different stages such as on-boarding, learning and development, day-to-day work processes, tasks and decisions (independent but also relative to business function), to the employee exiting the organization.

Customer Experience (CX) is the total experience a customer has with an organization or institution and/or its functions and/or employees throughout the customer journey. The start of the journey varies depending on the type of engagement, channel, and topic.

The State of ESM today is a mixed bag

Digital services being essential in this next normal means that enterprises must focus on improving efficiency and responsiveness within a broad ecosystem of customer and employees who need to

collaborate. The experience and satisfaction throughout the service journey will become a huge differentiator and a part of a broader service experience improvement and automation strategy within many enterprises.

The automation of workflows had already received great attention within IT teams and ITIL, as a best-practice methodology, is widely adopted today. IT teams have been leveraging ITSM platforms to automate and improve services for their constituencies for many years. To accelerate digital services, organizations have been leveraging the principles and technologies established during ITSM initiatives to automate enterprise and business workflows creating, establishing and advancing the adoption of ESM. The automation of IT and enterprise services or workflows, however, differs greatly among the key regions of the world:

- Asia Pacific enterprises show the highest (60%) focus on ITSM workflow automation with only 19% focus towards employee and 9% of customer workflow.
- European enterprises are balancing efforts between ITSM (40%) and employee workflows (34%).
- North American enterprises are equally balanced across their automation of workflows within IT (38%), employee (25%) and customer (29%).

And IT improvements before CX and EX improvements drive global investment priorities

ESM allows both IT and the business to design, deliver, manage, and automate services to satisfy or increase the different user expectations and thus improve the overall service experiences. Researching the global ESM investment priorities, we found that:

- IT improvements are essential: 10.7% of enterprises globally are making IT operations and performance management their no. 1 investment area while 10.4% are investing in modernizing and implementing new IT infrastructures.
- CX and EX improvements are right behind with 9% of enterprise globally are making customer experience their second priority and 8.2% of the same organizations focus on employee experience.
- AI and machine learning allows organizations to extract value out of the vast amount of data being collected across IT, employee and customer interactions and workflow. 7.4% of global organizations state AI and machine learning as one of their ESM investment priorities. Its promise to deliver business insights, automating tasks and advancing system capabilities is a fourth global investment trend.

Improvements around technology, customer, and employee service experience, and improved and proactive insights across the vast amount of data collected are key pillars to speed up innovation, increase

efficiency, improve collaboration and connections across the value streams, employees and customers of an organization and IT teams play a central role in this journey.

From ITSM to ESM with success

ITSM paved the service thinking within IT and ESM allows for expansion of service thinking within non-technology value streams. Leveraging the principles and technologies established during ITSM initiatives leveraged within IT will help the business functions adopt a service thinking.

To advance the ESM journey within organizations, IT must share and show their ITSM success among their counterparts within the business teams. IT must showcase and help business teams to understand what workflow automations are possible beyond IT. A few examples are service catalogs, self-service capabilities, knowledge management, request and case management, value stream or lifecycle management and approvals.

Second, IT must inspire the business functions with ESM benefits for adoption. Faster processing of requests from employees, improved handling of customer issues and eliminating waste of time and resources are just a few business benefits and examples of what ESM can achieve. Another example is the collaboration between functions during on- or off-boarding of employees are attractive business benefits. Business leaders need to understand what benefits through ESM can be achieved. Establishing a Minimal Viable Product (MVP) might just be one way to get a business leader interested in an enterprise workflow automation project.

The journey of ESM is an exciting one bringing together IT and the business leaders and supports the digital transformation of an organization. Here are some key market trends to understand.

Stay connected.

Sincerely,

Eveline Oehrlich