

Service management industry trends report

1 December 2023

Statistical analysis of service management
survey responses combined with Mason
Advisory's industry insight

2023

mason**advisory**

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Mason Advisory's service management report combines research with industry insights.

The research was performed via a quantitative survey open to the public and completed in July 2023 by 57 organisations of varying industries, sizes, and service management maturity (see page 11 for a breakdown).

Each response was validated for authenticity. For transparency, where specific metrics have been requested, on average 71% of responses were based on estimated data, with 29% provided by the respondent as known data.

Mason Advisory has analysed these results to identify trends, and complemented these with insights on how organisations can approach improving service, reducing cost, improving employee experience, and/or reducing risk.

This report is available as a free download from Mason Advisory's website.

We welcome you to review these results and insights. Please contact us if you have any questions.

Chief Executive preface

The management consulting profession provides an essential role in supporting organisations in both the public and private sectors.

The foundation to this is being able to bring real-world tangible insights to help refine and constructively challenge strategies, and enable organisations to respond to market conditions quickly and effectively.

I'm proud of the role that Mason Advisory provides in supporting organisations with their technology, data and digital needs, and research such as this service management insights report is an excellent way to help organisations understand service management trends, and hopefully prompt action to continually refine and optimise their new ways of working.

We hope you will find these results and insights useful. We would be delighted to discuss any aspect of this report with you.



Paul Pugh
Chief Executive, Mason Advisory

Outsourced technology towers

Figure 1: Are any of your IT functions outsourced to a third-party provider?

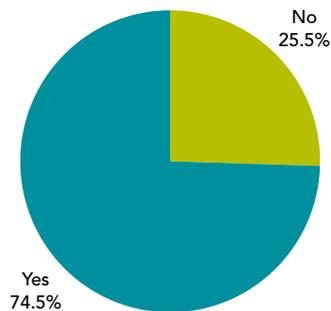
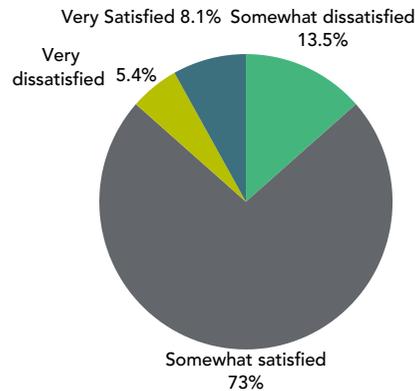


Figure 2: How satisfied are you with your current outsourced provider?

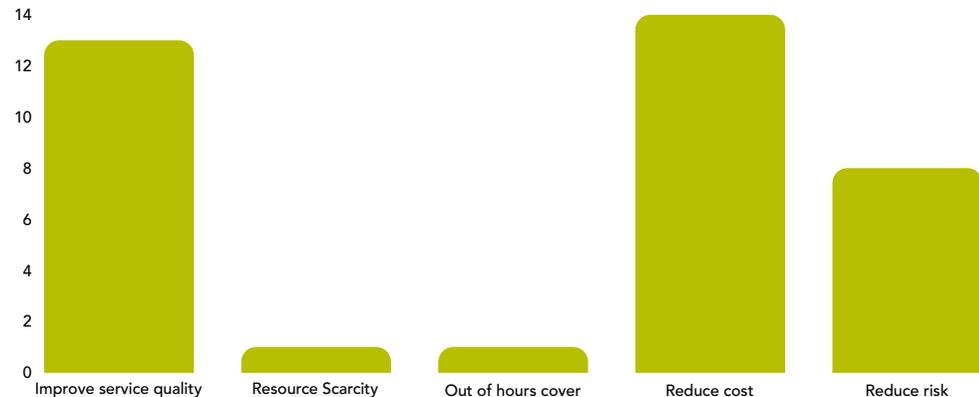


Of the 38 (three out of four) organisations who have outsourced some aspect of IT, service management (30%) and hosting & storage (26%) were the two most outsourced areas. For H&S, this is in line with the trends we have seen across the market, with organisations focusing on their core competencies and areas of competitive advantage instead of managing a now mostly commoditised service.

For service management, this commonly relates to outsourcing the service desk. While financially advantageous from a direct cost perspective, organisations should a) carefully consider the value internal support agents can offer compared to third parties and b) ensure a suitable service integration & management (SIAM) layer is retained and is effective.

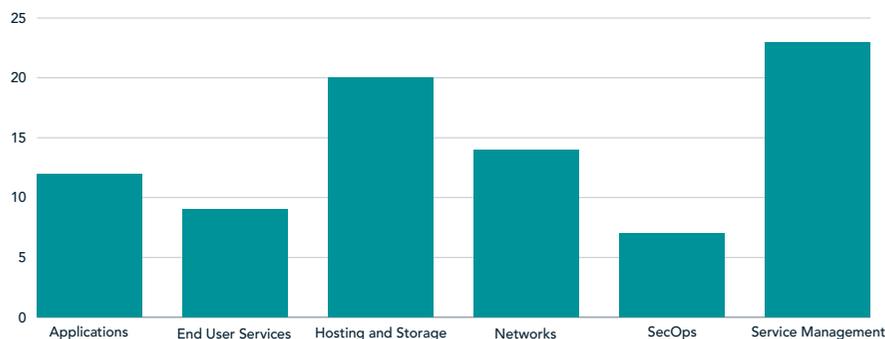
Of those that have outsourced at least one area, the primary reason for doing so was split between improving service quality (35%) and reducing cost (38%). This matches what our clients tell us.

Figure 4: What is your primary objective for outsourcing?



To achieve both of these outcomes, it's vital to start with clear objectives of what success looks like. This should be supported by agreeing a vital few effective SLAs (including XLAs) that drive required partner behaviour, embedding continual service improvement/cost reduction aspects, pre-agreeing governance and escalation methods, and having a clearly defined (and costed) exit strategy. On top of all of this, ensure there is a positive cultural alignment between you and the chosen partner, and one that can last even if key personnel change. It's great to see that 86% of respondents are at least broadly satisfied with their chosen partner.

Figure 3: Which of your technology towers are currently outsourced/predominantly outsourced?



ITSM tooling

Figure 5: What is the main service management tool you use today?

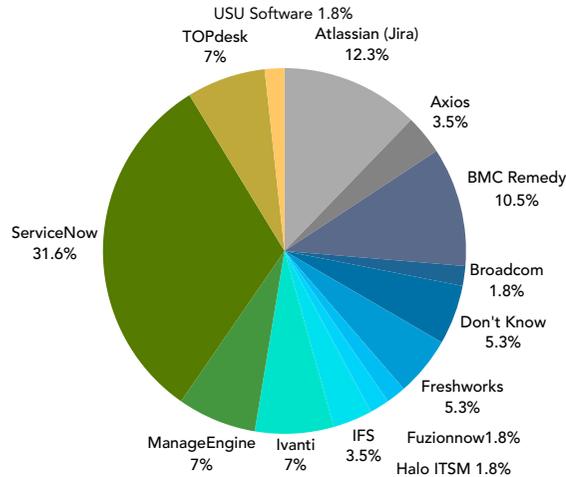
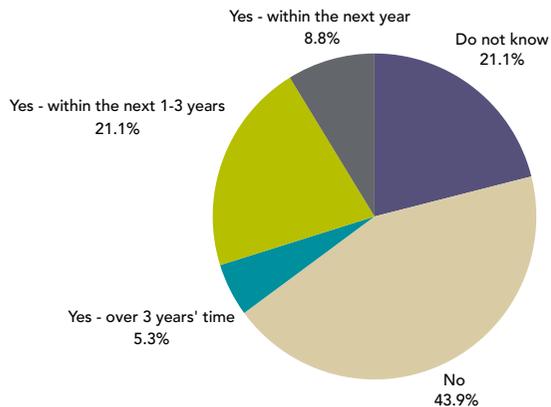


Figure 6: Are you considering moving to a different service management tool?



ServiceNow is the most common tool deployed by respondents (32%). This broadly aligns to the 40% market share ServiceNow reported that it had in 2022. The next most used are Atlassian Jira (12%) and BMC Remedy (10%). Given that Jira Service Manager is a relatively new product on the market, that's an impressive share, and perhaps reflects its strategic play of expanding its clients' use of the core Jira platform

Figure 7: Overall, how satisfied are you with your current service management tool?

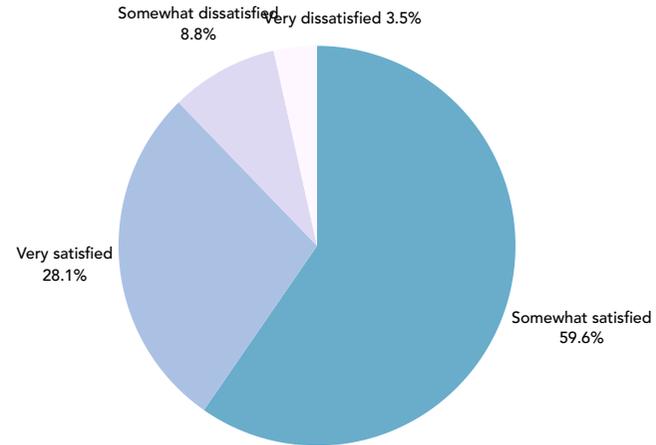
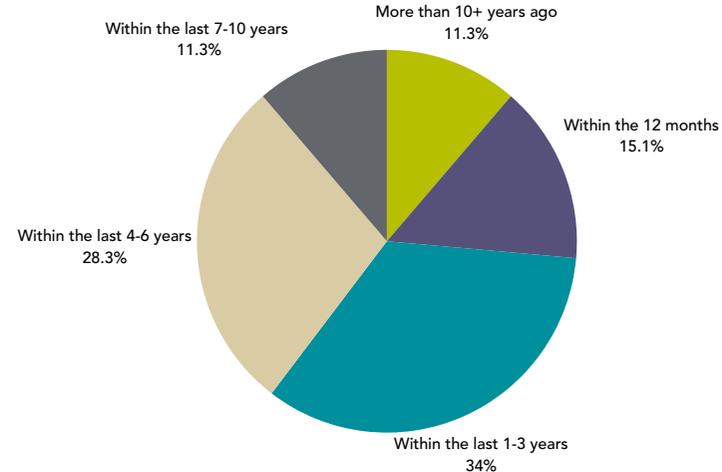


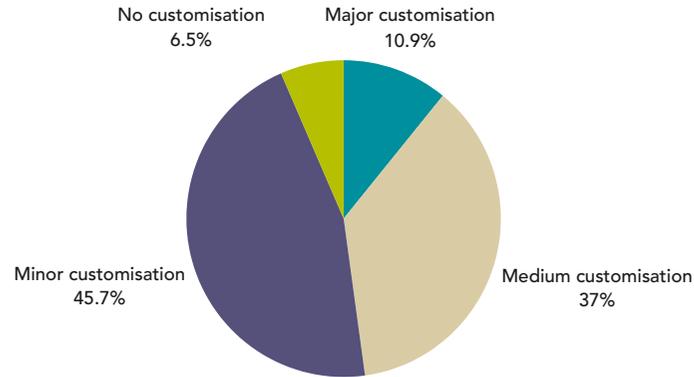
Figure 8: When was your tool installed?



Three out of five respondents were at least broadly satisfied with their existing tool. However, more than one in two are looking to replace their tool within the next three years. Existing satisfaction does not always equate to tool loyalty, and expected cost increases, or tools that are not keeping up with the maturity of their clients' service management practices, are the key factors that we see encouraging organisations to consider switching.

ITSM tool customisation

Figure 9: Is your service management tool out of the box or customised?



We rarely see a service management tool that has not been at least moderately customised, and the survey data reinforces that with only three responses stating that no customisation has been performed. Some tools actively promoted doing so over the years. Low-code solutions have been replaced by no-code products, and bespoke apps have been replaced by vendor-issued versions. This, combined with a growing complexity and cost of managing a customised instance, has led to a significant drive over the last five years for organisations to move 'back to box'. Some decide to 'back out' their customisations. Others prefer a fresh start and re-implement the platform (or take the opportunity to review options and implement a new platform). Either way, doing so can enable organisations to achieve competitive advantage by being able to quickly adopt new platform features as soon as they arrive on the market. The key to success is setting up suitable platform governance to ensure the platform doesn't return to an unmanageable customised state.

Figure 10: Customisation definitions

Customisation	Definition	Examples
Low	Change has minimal impact to the platform upgrade path (i.e. little to no change may be required to accommodate platform upgrade)	<ul style="list-style-type: none"> Add fields to existing tables and forms Create UI action to push a ticket to the next stage Produce new business rules to enable business logic
Medium	Change may materially impact the platform upgrade path (i.e. additional change such as a break fix may be required to accommodate platform upgrade while retaining the requisite functionality)	<ul style="list-style-type: none"> Build additional states and stages to align to business process Develop new custom discovery probes
High	Change drastically alters an OOTB functionality or could adversely impact the upgrade path of the platform (i.e. change may need to be rolled back to accommodate the platform upgrade)	<ul style="list-style-type: none"> Create new table in tool to capture additional data to support the module Modifying existing tool scripts to enhance OOTB functionality Develop new integrations that are not supported by the service management tool OOTB plug-ins for third-party applications

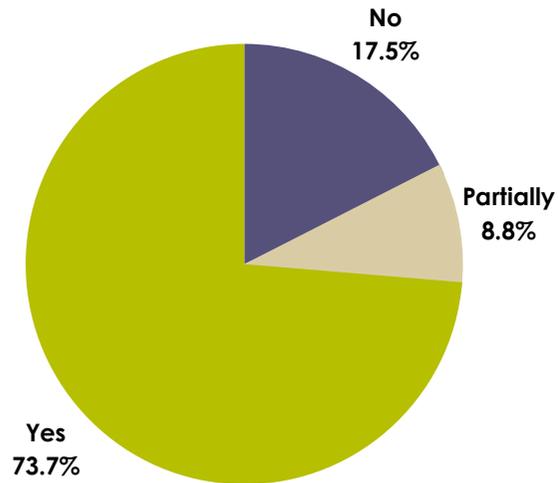
Figure 11: How is your tool currently managed and administered?



In terms of how the platform is managed, internal resource remains the most favoured option. In recent years we are seeing a trend of organisations moving to a hybrid model – light internal capability and accountability, combined with the expertise and flexibility of a specialist managed services partner. This enables organisations to focus on their core competencies, while being reassured that their managed services partner will feed and water the platform effectively, as well as proactively highlighting new capabilities for consideration. Choosing the right partner for you is key. For further insight, please see our [article](#).

Run vs Change operations

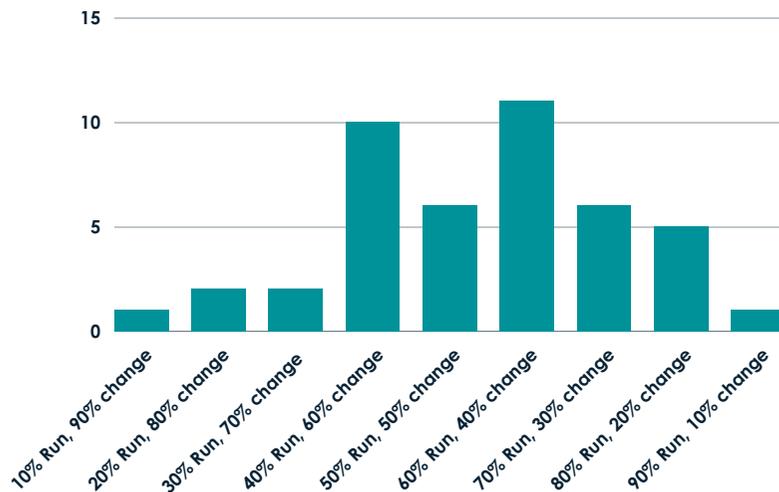
Figure 12: Do you operate a Run and Change/Invest concept?



In the modern world of DevOps and Agile, you can be forgiven for questioning why a Run/Change model is still required. In our experience, and done well, DevOps and Agile heighten and support the need for effective Run/Change planning. Run is the backbone to operations, ensuring agreed services are maintained to agreed service levels (e.g. proactive maintenance, fix on fail, root cause eradication, fulfilling service requests). It's great to see that the vast majority of organisations are operating such a model, although 17% do not.

The 60% Run/40% Change effort split is the most prevalent range across respondents. This is close to what we see when we conduct time studies, with a 70% Run/30% Change split being most common pre-optimisation. After optimisation, organisations typically see a near inverse of this, with a leaner highly productive Run operation accounting for 40% of effort, and Change then consuming 60% of resources, enhancing the organisation's ability to quickly respond to market conditions (or realise cost savings).

Figure 13: What is your Run vs Change split?



Timesheets and time recording

Figure 14: Do colleagues record their time?

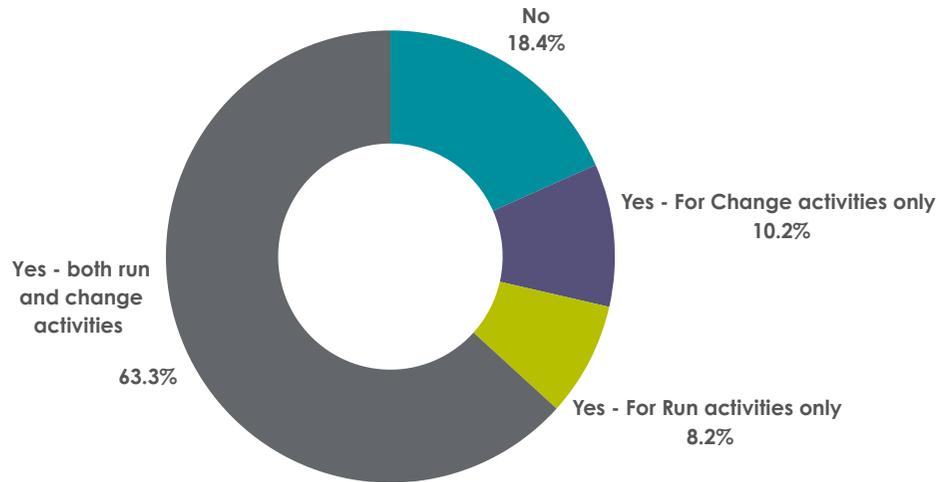
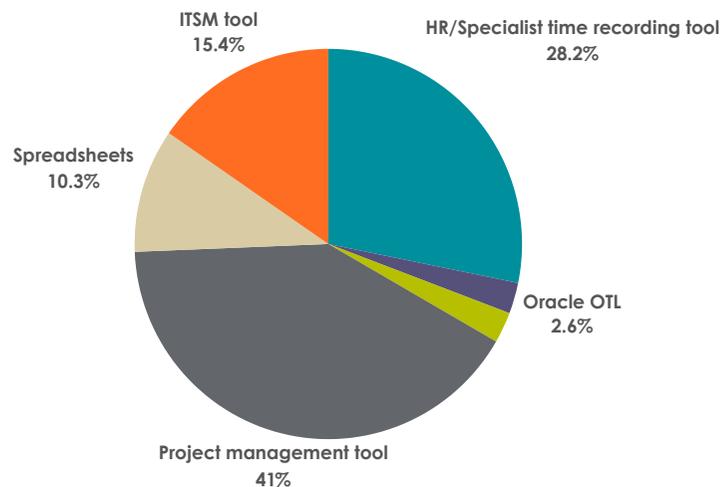


Figure 15: Which tool do colleagues use to record their time?

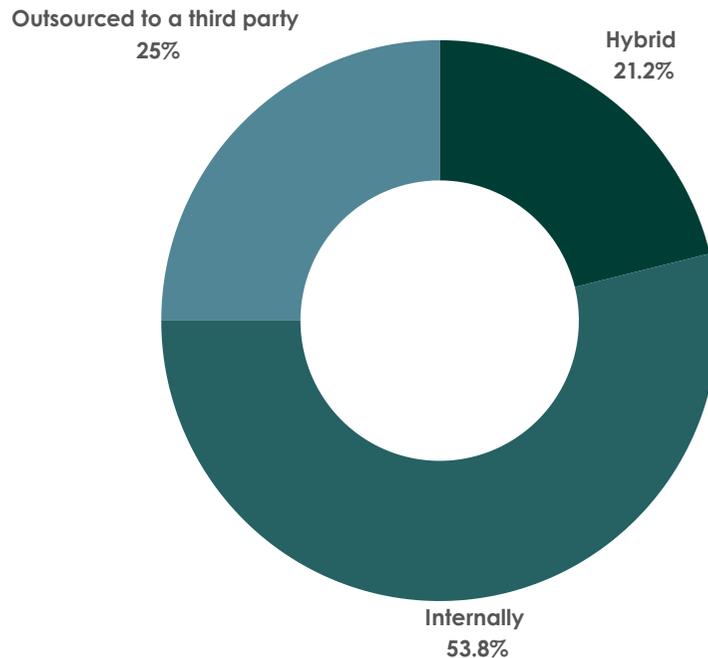


From the information inferred from the Run vs Change question, the majority of survey respondents have a clear split of time used on Run and Change activities. Recording time can help with accuracies regarding Run vs Change split.

Time recording is a sensitive subject. Some organisations have good colleague buy-in and demonstrate the value the insight brings. Others either struggle to gain traction, or do not attempt it due to fear of colleague backlash ('Big Brother is watching you' worries). In our experience, time data is fundamental to be able to manage an effective operation, and the summarised insights should be shared with colleagues to foster openness and transparency. Therefore, it's encouraging to see that 82% use time recording for at least Change or Run, with 63% using it for both Change and Run (40% of which are using their project management tool for their time recording). Recording the data is one thing. Doing so in a way that provides clear insight to drive action is another. Mason Advisory can help, including guidance on how to foster positive colleague buy-in, time recording codes, and stand-alone tools that are available (if you do not already have one).

Service desk operations

Figure 16: Is your service desk operated internally or outsourced to a third party?



A quarter of respondents stated they fully outsource their service desk operations to a third party. Organisation strategy and size are key factors. Smaller organisations (54% of respondents work in businesses with fewer than 500 people) that organically grow with limited IT Service Management strategy are more likely to have an internal Service Desk (at least initially). However, similar sized organisations that do not see IT Service Management as a core competency for them to manage are likely to have made an early switch to using an outsourced specialist provider.

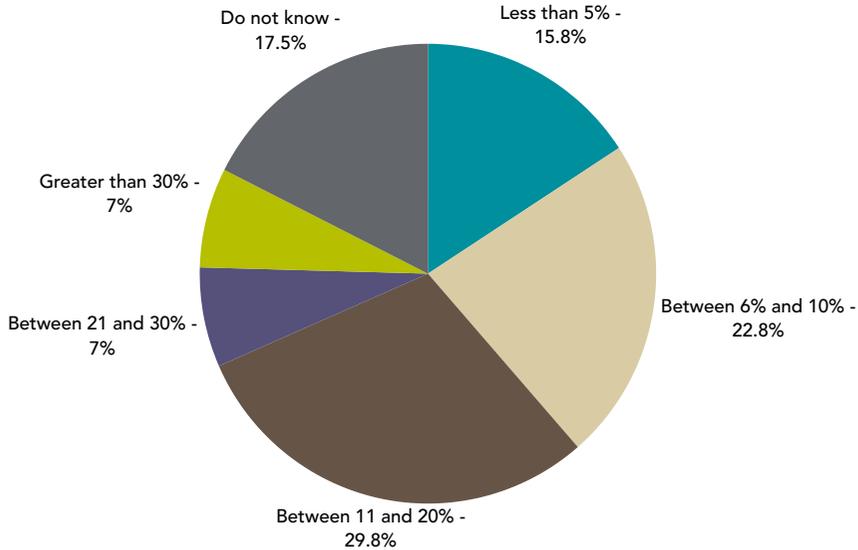
We typically see two approaches to outsourcing service desk.

1. Resource augmentation – provider simply offers the agents to service the contacts from end users, with the client effectively paying per agent.
2. A 'support experience' partner paid per user with a focus on driving ticket reduction and ticket handling reduction through preventative, proactive and automated means.

In addition to the earlier comments regarding wider IT outsourcing, specifically for the service desk, we recommend embedding clear responsibilities for end-to-end ticket management (tickets that go beyond the service desk) and continual support experience optimisation e.g. data/root cause analysis, and subsequent delivery of any automation/root cause fix opportunities identified.

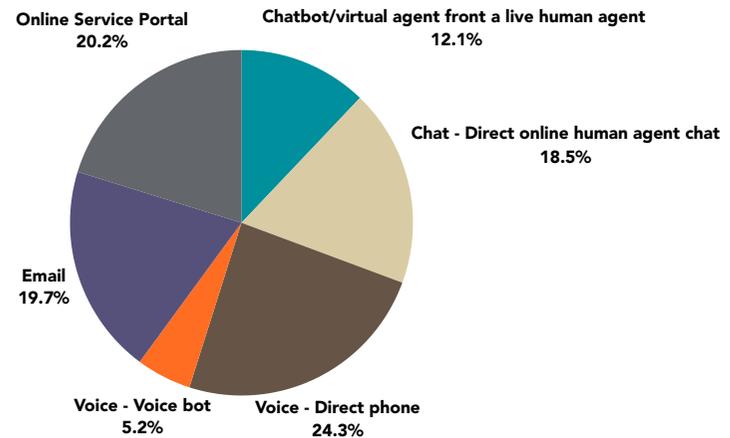
Service desk contacts

Figure 17: What percentage of your service desk contacts are users chasing existing tickets?



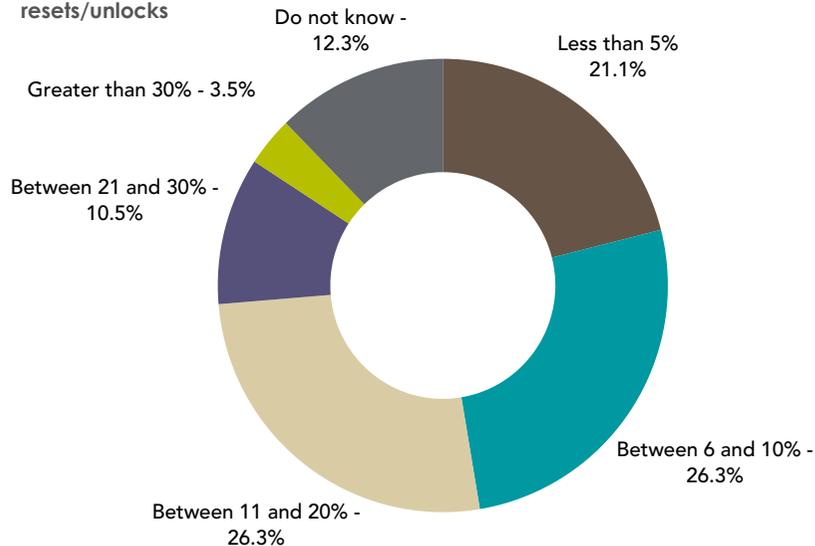
Almost two in five organisations are spending 11% to 30% of their service desk's time handling chasers (one in 11 of organisations were spending even more than this). Chasers are failure demand on top of failure demand, placing strain on the service desk and preventing them from performing more value add services. Other than adding more resource, there are several alternative ways organisations can significantly reduce chasers. For example, by a) ensuring service request fulfilment workflows are clearly defined, b) ensuring fulfilment/resolution service level expectations are clearly set, c) improving fulfilment/resolution times through the use of automation, d) driving a practice across the support organisation of proactively keeping users informed of progress (including delays), and e) improving self-service capabilities (service portals or chatbots).

Figure 19: Contact channels



Two in five organisations are spending 11% to 30% of their service desk's time resetting user passwords (one in 12 organisations were spending even more than this). This is a mind-numbing low-value task, even if there is a degree of automation involved. Organisations can significantly reduce this by using single sign-on and self-service password reset capabilities (ensuring appropriate security protocols are followed).

Figure 18: What percentage of contacts to your service desk are related to password resets/unlocks



Appendix: Contextual data

Figure 20: Industry breakdown of respondents

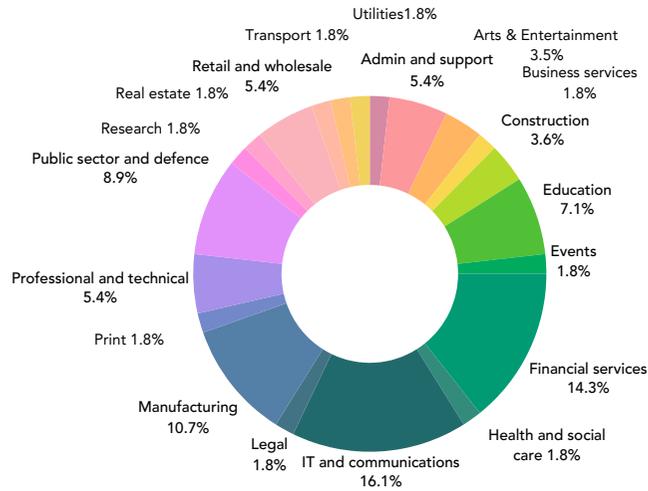


Figure 22: Respondent role breakdown

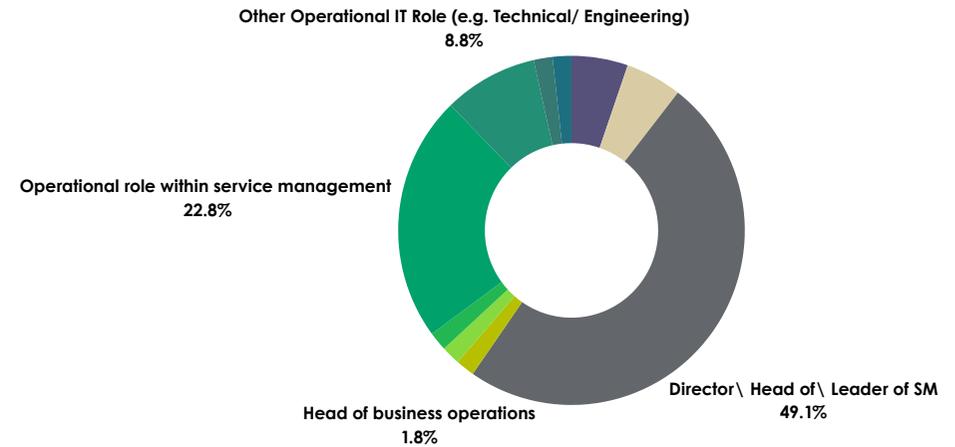


Figure 21: Respondent company employee size

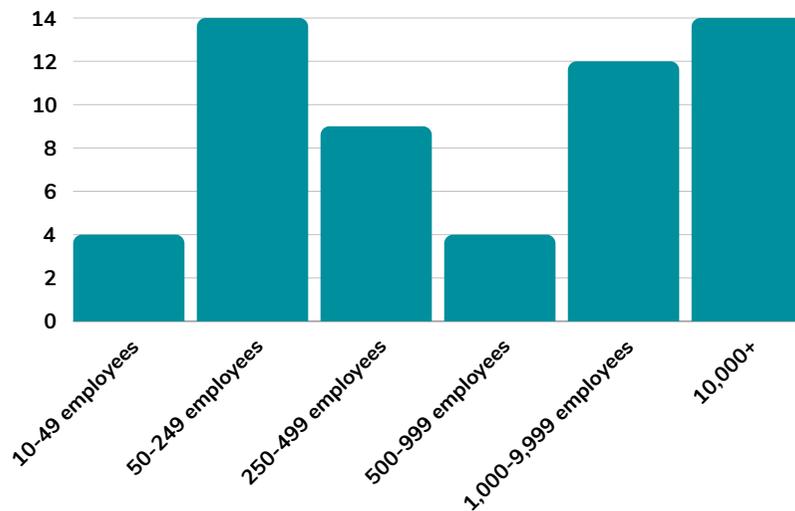
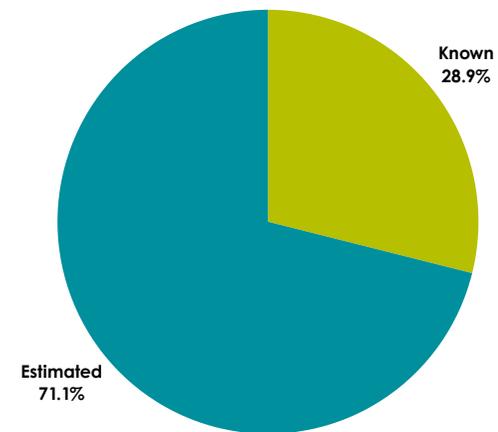


Figure 23: Average breakdown of known vs estimated data across the whole survey



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About Mason Advisory

Mason Advisory has offices in Manchester and London and employs over 100 staff, with plans to continue its expansion. We are a digital & technology consultancy committed to making your life easier. Our people work with organisations of all sizes, across industry sectors including Financial Services & Insurance, Government, Corporate Clients, Public Safety and Professional Services. Clients trust us to help set their strategy and then deliver on those decisions. We use our skills in operating model & organisational design, sourcing, architecture, service management, and cybersecurity to build, protect and support sustainably successful businesses.

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