COGNITIVE ITSM AND THE PATH TO MID-MARKET DIGITAL TRANSFORMATION

October 2018
Jim Rapoza
Research Director, IT
Leading mid-market businesses are embracing cognitive AI and cloud-based ITSM approaches to attain flexibility, provide better support, and keep modern workers productive.

**Digital Transformations are Changing All Businesses**

Technology is at the center of business innovation today. Leading organizations are carrying out digital transformations that are making their businesses more agile and competitive.

Given that IT is at the center of how businesses deploy and use technologies, it only makes sense that IT systems should help drive the adoption of vital technologies like cognitive computing, machine learning and automated systems. Leading IT organizations are using these innovative technologies to not only improve how they provide support, but also help the entire business transform and become more competitive.

Adoption of new technologies can be especially valuable for mid-market companies that lack the resources of large enterprises and the easy flexibility of small startups. By revamping and upgrading their ITSM (IT service management) capabilities with technologies such as cognitive computing, these mid-market businesses can gain benefits in reduced costs, improved service, increased productivity, and the ability to better leverage other new technologies.

Also, many companies have now implemented multi-Cloud-based IT infrastructures, where any application or data could be in the Cloud or on-premises, and which workers can access from anywhere and at any time. And research shows that the best way to manage IT within these transforming environments is to leverage automated, cognitively intelligent, and cloud-enabled ITSM solutions.

In this report, we’ll look at the challenges faced by mid-market organizations that try to support workers and IT operations by using tools that were not designed for a digitally transformed, innovative business that leverages technologies such as AI and the Internet of Things (IoT). We’ll also analyze how leading businesses are embracing AI-enabled cognitive computing and cloud-based approaches to transform their businesses, gain flexibility, provide better support, and sustain high levels of productivity among a modern workforce.

**Artificial Intelligence and Cognitive Computing**

Artificial Intelligence (AI) has made it possible for systems to automatically and intelligently perform and improve tasks, aid in decision making, and handle interactions and processes that traditionally required human intelligence. Cognitive is a form of AI that uses scalability and self-teaching algorithms to more efficiently solve problems and optimize processes.
The Challenge of Digital Transformation for a Mid-Market Business

Running IT at any business aiming to leverage today’s rapidly evolving technologies means overcoming a number of hurdles and challenges. For mid-market organizations, these challenges can be especially acute.

These businesses must be able to digitally transform by adopting emerging technologies, be agile and responsive to user and business needs, and do all this without allowing the costs of IT service to get out of control. And without the ability to leverage AI and cognitive computing, they must face these challenges with overworked support staff that often lack necessary knowledge. Figure 1 illustrates the top challenges mid-market organizations face in delivering intelligent IT support.

Figure 1: Mid-Market Challenges in IT Support

50%

36%

27%

25%

Controlling the cost of IT service
Fulfilling end-user requests quickly and completely
Meeting demand for rapid delivery of new services
Supporting mobile users and devices

This data shows that the number-one challenge mid-market IT faces is the cost of IT service — and keeping it under control. Making this task even more difficult are the top-four other challenges that involve meeting...
the rising demands for services, supporting mobile and IoT devices, and meeting end-user requests quickly and completely.

Mid-market companies are faced with the need to carry out digital transformations, embrace the Cloud, and improve capabilities. And they must do this while keeping costs under control and improving service and support. More importantly, they are competing with agile and disruptive companies who are leveraging emerging technologies to succeed and digitally transform. If IT makes it hard to adopt new technologies, these businesses fall behind.

Aberdeen research has found that one of the main ways that leading organizations are achieving these goals is by essentially digitally transforming their ITSM solution. By embracing ITSM that is capable of handling multi-Cloud, leverages AI, and can manage any kind of device, leading businesses not only overcome these challenges, they increase their support capabilities and gain significant benefits. And new technologies are increasingly making their way into these mid-market organizations. In Figure 2 below, Aberdeen research shows the top new support technologies being used by mid-market businesses today, and those that they plan to adopt in the next year.

Figure 2: Mid-Market Transforms Support with New Technologies
Looking at this data, we see that the mid-market has already begun integrating the social tools that workers rely on for their day-to-day communications to handle support interactions. And they are adopting video for real-time support, even for users on mobile devices.

While the current use of cutting-edge technologies such as IoT, augmented reality, chatbots and AI for self-service is still only in the teens, if trends continue we expect to see adoption of these vital technologies become close to 50% in the near future.

**How a Modern Approach Leads to Better ITSM**

While these new technologies are helping mid-market businesses digitally transform, it is important that these changes are accompanied by strong IT support capabilities and strategies. When it comes to a solution (such as ITSM) that touches all aspects of a company’s infrastructure, no change happens in a vacuum. Any new capability will also impact all other areas of the infrastructure.

Aberdeen research shows that when a business digitally transforms and upgrades their ITSM system — with automation, deep analytics, cognitive intelligence, and extensive collaboration features — they see improvements in all areas of IT support. By making this upgrade, these organizations are much more likely than their competitors to have implemented IT strategies and procedures that are typical of leading businesses.

In Figure 3 (next page), research data was filtered to compare businesses that have upgraded their ITSM system (following many of the characteristics outlined in the Modern ITSM sidebar on page 3) to those still using a legacy solution. The data shows that a modern ITSM system gives these businesses a significant edge when it comes to their use of leading IT support strategies and capabilities.

From a security standpoint, these digitally transformed ITSM organizations are keeping their technology secure and reliable. When compared to businesses with legacy ITSM, they are:

- 85% more likely to have full-lifecycle security policies in place
- 55% more likely to be using data loss prevention to protect vital business information
- 2.2x more likely to be monitoring for the root cause of faults and IT issues
And, these businesses are more than three times more likely to be providing their end users with self-service capabilities, which Aberdeen data shows improves end-user satisfaction and reduces resource demands on IT departments.

Figure 3: Upgraded ITSM Comes with Improved Capabilities

Most importantly, these transformed ITSM organizations outpace their competitors when it comes to full visibility and management capabilities throughout IT. They are four times more likely to have implemented a configuration management database (CMDB), and this is significant. With a CMDB in place, these leading organizations have full and deep visibility into all aspects of their IT infrastructure, which is especially vital for mid-market businesses looking to overcome the challenges of providing IT in today’s digitally transformed environments.
Transforming IT Leads to Business Transformation

As discussed earlier, mid-market organizations face a number of challenges when it comes to improving IT support and delivering a digital transformation for the company. Aberdeen data shows that they face high demands for fast and effective support and delivery of services, and that they seek efficiencies to reduce the costs of IT service.

Interestingly enough, when the data was mapped to illustrate the kinds of benefits organizations with modern ITSM systems gain over their competitors that still use legacy solutions, key gains in many critical areas were revealed. In fact, as Table 1 shows, a modern ITSM system goes a long way towards fixing the challenges of a mid-market IT organization.

Table 1: Key Benefits of a Digitally Transformed ITSM

Businesses leveraging a modern ITSM system (as defined on p.4) are:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Benefit Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>70%</td>
<td>more likely to see quicker resolution for incidents</td>
</tr>
<tr>
<td>66%</td>
<td>more likely to gain increased efficiency in IT systems</td>
</tr>
<tr>
<td>55%</td>
<td>more likely to see faster delivery of services</td>
</tr>
<tr>
<td>20%</td>
<td>more likely to have improved IT productivity</td>
</tr>
</tbody>
</table>

One of the top challenges for mid-market businesses is the need to resolve issues quickly, and here we find that a transformed and modern ITSM system leads to organizations being 70% more likely than competitors to see faster issue resolution. Mid-market companies are also...
looking for a way to meet the rising demand for new services, and a modern ITSM implementation leads to a 55% higher likelihood of seeing faster delivery of services.

An improved and next-generation ITSM solution means that organizations are more likely to report increased IT efficiency and improved IT productivity — all of which leads to reduced demands and better utilization of IT resources.

**Key Takeaways**

Nearly all businesses today, no matter their size or sophistication, are working towards a digital transformation. These organizations understand that to survive in today's markets, they need to leverage key emerging technologies such as cognitive AI, multi-Cloud, and the Internet of Things.

But to take this journey, these companies must be able to implement and deliver IT support and services that help them on the way to digital transformation, and don’t get in the way and make it harder to adopt new technologies and practices. This is especially true for mid-market businesses that might be dealing with limited budgets and skills resources, but still need to stay competitive using emerging technologies.

These organizations need ITSM that delivers a return on investment and lets them transform how they use technology, while minimizing costs and complexity and providing the highest levels of IT support. Sticking with a legacy ITSM solution is not the way to address these challenges.

To become a leader in IT services and support, and to take the right path to digital transformation, mid-market (and really, all) companies should look for ITSM solutions designed for the needs of today’s business.

- They need solutions that leverage cognitive computing to power strong AI, and automation to help them solve issues and deliver services quickly and efficiently.

- Deep visibility into all areas of the IT infrastructure is vital to ensuring all assets, data, and services are properly managed and monitored for the highest levels of security and reliability.

- Real-time and collaborative communications are essential for keeping IT staff, end users, and experts connected, no matter where they are or what devices they are using.
ITSM not only needs to be Cloud-aware and integrated, but it needs to be able to seamlessly interact with the multi-cloud infrastructures that are increasingly common in today’s organizations.

By implementing a modern and cognitively intelligent ITSM system, mid-market businesses can overcome their challenges, reduce costs and complexity, and get the most out of their technology investments. With these hurdles out of the way, these businesses will be well on their way to achieving the digital transformation they need to stay competitive.

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