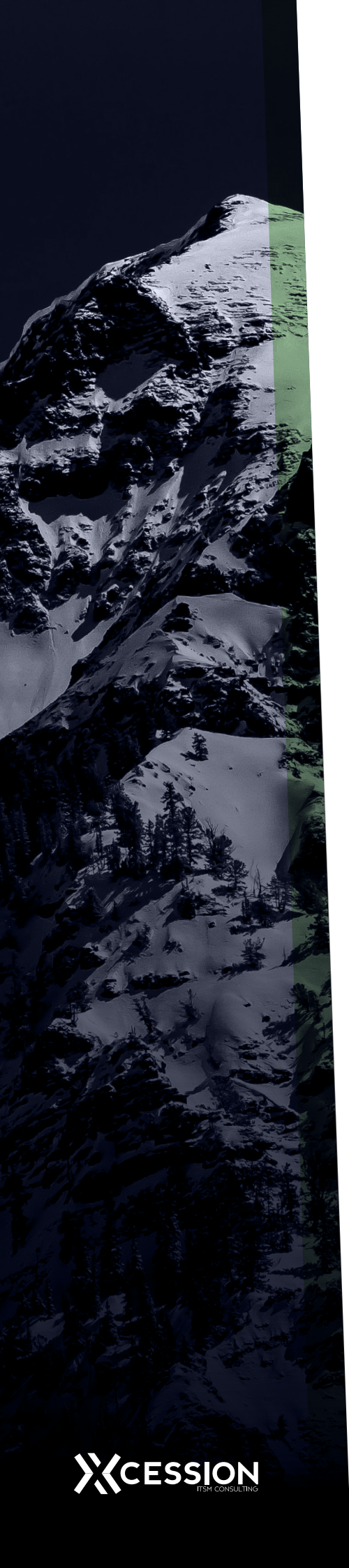XCESSION
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// HOW-TO GUIDE:

Slicker, quicker and lower-cost – a guide to the new ITSM toolsets

MAY 2021

INTRODUCTION

The pandemic has accelerated major changes in the way enterprises work, making this the perfect moment to rethink IT expenditure. A flood of innovation from new software vendors is radically lowering the cost of IT service management (ITSM) and Enterprise Service Management (ESM) solutions, streamlining IT to deliver more value for business.

These newer vendors have changed the Service Management market, creating software that provides all the functionality that most organisations need, but at a fraction of the cost of products from established, well-known names.

When competitiveness depends on technology as never before, extracting the maximum value from IT and support services is critical. While budgets remain tight, cloud adoption, the rapid growth of working from home, the advance of process automation and the explosion of SaaS products all place burdens on IT service management.

All organisations now need the most efficient and cost-effective management of software, hardware, devices, networks and suppliers they can lay their hands on.

This How-to-guide offers expert advice on how organisations ensure they implement the critical ITSM software that is right for them. IT decision-makers must reconsider whether they are getting real value for money from the solutions of incumbent, big name vendors that may cost them millions each year. Leaner alternatives are available designed for the cloud-driven SaaS era, offering greater flexibility, responsiveness, speedier implementation and easier integration with the systems of suppliers and partners.

WHY IT MAY BE NECESSARY TO SWITCH ITSM VENDOR

The big names in ITSM may have masses of functionality, but they are expensive. In any case, much of the functionality they provide is never used. Xcession research has found that 40 per cent of enterprises have ITSM solutions that are never even deployed. Many organisations are paying for the equivalent of a plush Bentley when what they really need is something more purposeful akin to a Volvo or a BMW.

A fifth of the cost – and for functionality that enterprises really use

The newer ITSM vendors have different approaches, frequently providing 80 per cent of the functionality of a big name, but for roughly 20 per cent of the price – a huge disparity that no customer should ignore. Some of the leaner vendors, such as 4me have completely different pricing models, relying primarily on increasing market share to boost revenues rather than increasing fees for customers.

The global technology consultancy Gartner[1] recognises this strengthening trend within the ITSM market, placing the newer names at the top of the list in terms of customer choice. Testimonials reveal that for many customers, the lower licence fees or charging structures of the newer vendors come with excellent performance, new integration capabilities and great resilience.

//1 WHERE TO START

So where do you start if you are interested in reducing ITSM costs and doing more for the business without burning a hole in the budget year after year? First, you must assess what you need, then you have to decide which of the new solutions is the best fit for you and finally, you need expert advice on how to implement it.

Assess what you use

Organisations must assess how much of their current solution they use. This is not always easy when staff are distributed in different locations and countries. The ITSM software they use may have been purchased years ago and undergone many upgrades and add-ons.

A good place to start is with ITIL checklists or templates, extending to cover what the organisation really needs and uses.

The list should include:

- incident, problem and change management
- knowledge management
- availability management
- event management
- release management
- request management (front-end service catalogue and requests)
- reporting and SLAs
- configuration management
- supplier management
- service portfolio

Think carefully about what your organisation needs

Each organisation is different but should know what it requires. Cost is rightly a high priority when such substantial savings are available from newer products, but is the search for a new ITSM solution also part of a broaderdrive to improve operational efficiency in all departments? Should agility and innovation be prioritised or is there an urgent need to upgrade compliance and risk-management?

Whatever the main motivations, it is important to be ruthless about what the organisation uses and what it needs, looking at ITIL processes as a whole. For instance, availability management, capacity management, event management and finance management are offered in the pricier solutions but seldom used. Can IT really say these options are needed right now? As they examine what they need, senior IT executives may run into natural conservatism, as staff become wedded to particular functionality. The question then is what it adds and whether it makes a difference.

//2 CONSIDER THE ADVANTAGES OF NEW SOLUTIONS

The next step is to consider what a new solution can bring. This should be conducted using an external consultancy or implementer with the broadest possible solution knowledge and practical experience, free of ties to any vendor.

These are the priorities most organisations should consider:

Integration

Newer platforms are built to facilitate integration. Integration is important in today's IT environment to facilitate trouble-free, slick interfaces with suppliers, outsourcers and partners. This is functionality that some nimbler platforms are built to provide, recognising that speed of innovation and organisational agility depend on it.

Enterprises may have thousands of suppliers of all sizes in different corners of the globe, so integrating with their ITSM systems should be made simple, following one of the SIAM (Service Integration and Management) models so businesses can couple and uncouple with suppliers quickly and simply.

> Whereas many established platforms are clunky, newer tools have pre-packaged integrations, plugging in to a supplier, such as an outsourced server team. IT can on-board suppliers and outsourcers without any need to create integrations from scratch. When both parties use the same toolset, IT teams can create a "trust" that makes it far easier to share and migrate data and to set up.

In practical terms there is an analogy here with a 4X4 relay team in athletics. When a ticket is raised requiring fast resolution of a problem such as printer interfaces, it should be handed along the chain quickly without anyone dropping the baton. The process should be visible including the SLAs. This is a simple example, but the new advanced integration functionality meets the major trend for enterprises to avoid big box, single-source contracts. They can focus on what they do best, outsourcing the rest. When organisations may have to monitor thousands of IT-related SLAs, ease of integration is a major advantage.

Updates and adaptability

Newer ITSM software solutions are much more adaptable and make it easier to add on more functionality as required. Vendors such as 4me.com delivers updates every week which are driven by feature requests from the customer network. Users accept or decline new features which are offered as a pure SaaS solution. Vendors implement upgrades at lower cost and far more transparently, rather than running them in the background with obscure pricing attached. This eliminates downtime and the complications of more traditional twice-yearly upgrades.

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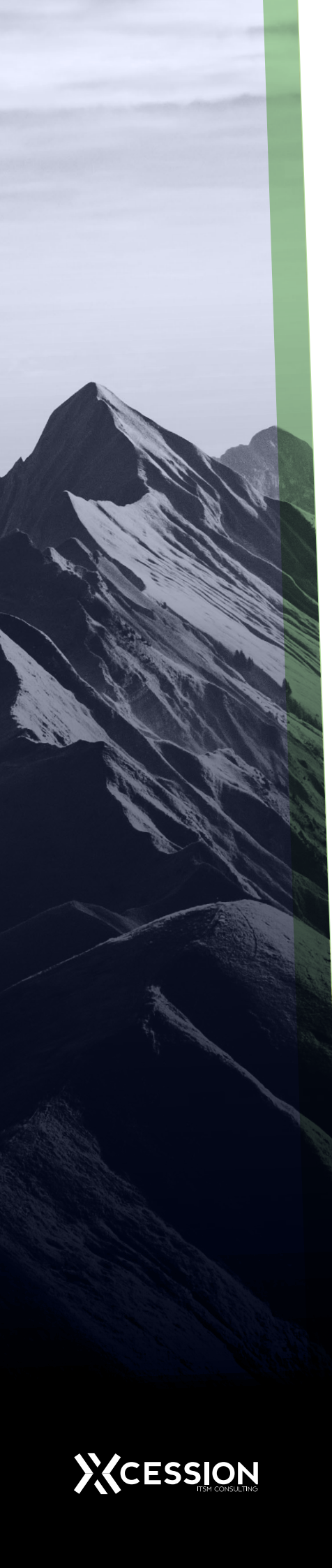
A further consideration for IT decision-makers is whether their organisation intends encompassing departments such as HR, Facilities or Legal in its new ITSM solution.

The newer vendors' solutions are fully adaptable, providing all-important confidentiality and segmentation of sensitive data, which is especially important when outsourcers are involved. A solution like 4me makes it easier for internal users with the right authorisations to complete functions such as increasing wages by moving simply between payroll and confidential HR databases.

Speed of implementation

Major ITSM implementations should never be rushed, but compared with many big-name solutions, the newer platforms are up and running in much less time – several months compared with two or three years in some cases. Templates enable implementers to move rapidly, putting in place solutions that make minimal training demands of IT personnel and quickly streamline their work. Vendor-agnostic implementers with broad experience will be able to knit together the newer solutions with the favoured tools of IT professionals that they want to retain, providing a customised platform that fits the desired purpose.

4me – seamless and secure collaboration with fast response times

4me is an example of the newer vendors making substantial inroads into the ITSM market. Founded ten years ago, the 4me service is now used by more than a million enterprise employees around the globe. Growth has come from the network effect, as customers encourage their providers to work with 4me for mutual benefit.

"We were built for the cloud, whereas the previous generation of service management tools was built at a time when large organisations feared the cloud," says Cor Winkler Prins, founder and CEO.

Ease of collaboration is one of 4me's great strengths, enabling customers to collaborate with third-party suppliers and providers covering everything from printers to global WAN connectivity and the massive growth in SaaS applications. Whereas competitors set up a virtual environment for each customer, 4me believes organisations should be able to pass information along the IT supply chain quickly and easily, but with all agreements and SLAs tracked and everyone working on the same infrastructure. It means that whenever organisations using 4me adopt a new application, they can easily integrate with the ITSM systems of the managed service providers who implement and maintain it.

Costs are kept low on three fronts. Firstly, unlike competitors, 4me has one huge production environment (spread over data centres) instead of several thousand. Secondly, it employs fewer, but far more skilled service management experts trained in SIAM and ITIL. And thirdly, the biggest area of cost-saving is sales and marketing where 4me is instead able to rely on its network effect.

//3 HOW YOU DECIDE WHICH SOLUTION TO CHOOSE

Cost matters – the savings can be huge

With the newer ITSM software tools costing so much less than their more established rivals, pricing is a major reason to switch from a big name. Why would anyone continue to pay so much more than they need to? The new names are not just lower cost, they offer models of payment that are more transparent and far more flexible. Charging can be by seats per month, pay-as-you-go, or fixed price for an annual licence, with no limitation on the number of its users.

The cost differential between a major name and one of the newer software vendors is very significant. It can be up to five times cheaper for equivalent functionality. With such savings on the table, anyone responsible for an IT budget has to think seriously about the new solutions available.

Objective expertise in solution selection and implementation is vital

A quick survey of today's ITSM market reveals there are dozens of next-generation vendors, with 4me, iTop and Matrix42 among those standing out. But with so much choice, how should a harassed IT executive and their team decide which to go for and what fits the bill best?

> The simplest and most cost-effective way to cut through all the sales and marketing noise is to engage an implementer offering objective, completely vendor-independent advice based on real-world expertise.

Many implementation partners are tied to vendors and therefore unable to offer genuinely unbiased consultancy as to which ITSM solution is most suitable for a client. They may also have limited experience of other vendors and their hands-on expertise is likely to be restricted to certain sectors, industries or set-ups.

Third-party implementers who are not involved in sales-driven contractual arrangements with vendors are far preferable and more transparent. They are not incentivised to sell unviable or unsuitable solutions and may not be interested in sales at all. Their professional advice should cover what is best, followed by swift implementation to meet each client's precise needs. This avoids the many pitfalls of the standardised one-size-fits-all approach, but without over-elaborate and unnecessary customisation.

Experience of different solutions and environments is important

Experience of a broad range of implementations in different organisations and at different scales is also important. It is unfortunately, too easy to assume that an implementation will run itself. Enterprises that require enhanced self-service or automation in their ITSM platform, for example, can easily run into difficulties with data management, or find they run into cultural hurdles they had not anticipated. Implementations involve people and processes, and an experienced

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implementer with organisational knowledge as well as technology know-how, will flag up and resolve such problems before they develop.

Experience and objectivity also mean clients are more likely to get honest answers and avoid choosing the wrong solution or combination of tools. Implementers tied to vendors are under pressure to hit targets and much more likely to say yes to whatever an inexperienced client suggests, even though it is clearly the wrong choice.

Taking the decision

It is never easy to be the person who proposes leaving a well-known vendor. But as this How-to Guide has explained, highly effective and considerably more agile ITSM solutions are available at a fraction of the cost of established vendors' products. Enterprises cannot ignore the fact they may be paying much more than they need for solutions that are either overladen with functionality or fall short of modern requirements.

It is important, therefore, that enterprises seek advice now so they can immediately benefit from innovation and new approaches.

This is where Xcession is ready to help.

> **To find out in more detail about how Xcession can enable your organisation do more with less by using one of the new solutions, contact info@xcession.co.uk.**

ABOUT XCESSION

Xcession is an expert ITSM implementer, application managed services provider and consultancy.

With experience of working for major enterprises across the UK and Ireland, Xcession is vendor-independent, wholly customer-focused and highly committed to delivery, using the optimum mix of on-shore, near-shore and off-shore consultants.

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