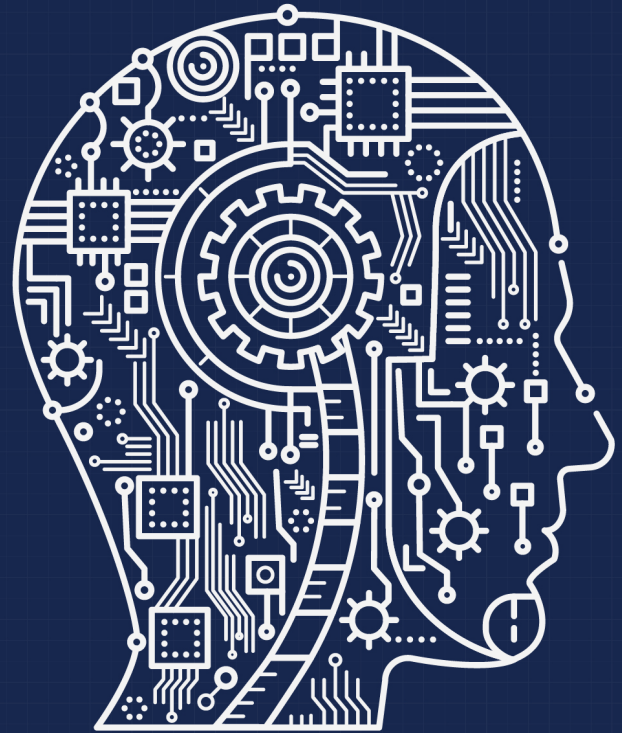


Rightsizing AI for ITSM and ITOM Success



Managing IT infrastructure and IT operations has never been more important, or more demanding. The former line between IT infrastructure and business activities long ago disappeared, with almost all of those activities now largely or fully dependent on a pervasive, dependable, and capable IT foundation.

IT's centrality to overall business operations, and success, requires intelligent service and operations management that is intuitive, fast, scalable, and dependable.

At the same time, the IT infrastructure itself now encompasses the data center, cloud, and edge computing; a wide range of networks and devices; and—post-COVID—a huge increase in distributed workers.

The importance and complexity of the IT environment have made IT service management (ITSM) and IT operations management (ITOM) ever more critical. To address the escalating challenges within these disciplines, vendors and their IT customers are automating many once-manual processes, often by leveraging various AI capabilities—from chatbots to machine learning.

A recent multinational survey conducted by IDG sheds light on core ITSM/ITOM trends, demands, and solutions. A central element of the survey was an assessment of the benefits AI-enabled solutions can deliver and an identification of the key capabilities those solutions must provide.

ITSM and ITOM Defined

IT service management (ITSM) encompasses IT life cycle activities such as strategy, design, implementation, support, and management. IT operations management (ITOM) involves the administration of hardware and software intended to manage the provisioning, capacity, performance, and availability of IT infrastructure. In practice, ITSM and ITOM often overlap in both tools and IT professional responsibilities.

Keeping pace with IT operations demands

To gain insights into the state of ITSM and ITOM, IDG in May 2021 surveyed 850 senior and midlevel IT managers involved in these disciplines. Large organizations (5,000-plus employees) accounted for 34% of the survey base, midsize (1,000 to 4,999) for 42%, and small (250 to 999) for 23%. Collectively, the organizations are based in 14 countries and four regions: North America, UK/Europe, Middle East/North Africa, and Asia/Pacific.

The IDG survey showed that IT executives and their teams have a broad understanding of the complexity and diversity of their IT infrastructures—and of the challenges associated with managing them.

For example, the survey explored a key metric associated with today's demanding IT environment: the number of IT service inquiries received by the IT support desk each day. That number ranged from an average of 44 inquiries per day for small companies to 725 per day for large organizations.

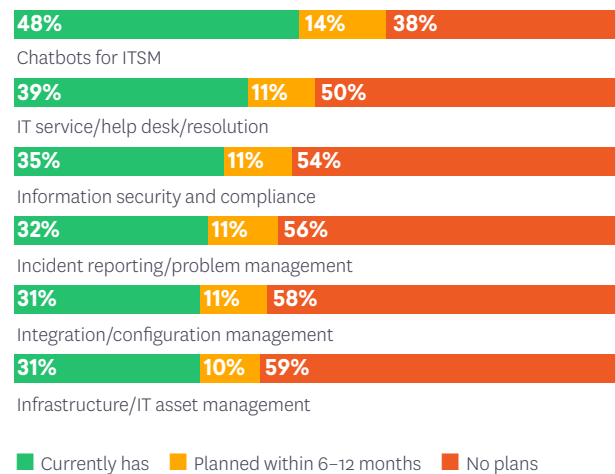
Looking forward, nearly nine out of 10 respondents expect the service inquiry volume to either hold steady or increase in the coming year. Among the nearly one-third predicting an increase, the mean anticipated increase is 21%.

Almost as important as the raw number of current service requests is the percentage of requests that require manual intervention and/or are repetitive requests. The latter are among those most easily addressed through automated solutions such as chatbots. For 23% of the respondents, more than half of the daily requests fall into this labor-intensive and inefficient variety.

The service inquiry metric is a telling example of the escalating ITSM/ITOM challenges facing organizations. It's little surprise, then, that nearly 80% of the IT managers said modernizing their ITSM/ITOM capabilities is either critical or very important.

However, most of the survey respondents also expressed significant levels of confidence in the ability of their current ITSM/ITOM systems to meet future demands. More than half (52%) said they are well prepared in this regard, and 21% said they are fully prepared. Although encouraging, those percentages still left more than one-quarter of those surveyed only somewhat or poorly prepared to address future IT management demands.

Figure 1. AI-Enabled ITSM/ITOM Deployments and Plans



Source: IDG

AI is an ITSM/ITOM game changer

AI technologies are rapidly emerging as not-so-secret weapons in the effort to upgrade and modernize ITSM/ITOM capabilities. Nearly 70% of the IT managers said AI will be either critical or very important in these efforts.

This broad enthusiasm for AI is already evidenced by the technology's adoption within many organizations. More than one-quarter (27%) of the survey respondents have fully deployed AI-enabled ITSM/ITOM solutions, and another 34% have made initial deployments in select use cases and departments. At the same time, another 32% are exploring AI-based solutions or gathering information about them.

To assess how AI is being used in the ITSM/ITOM area, IDG asked about representative AI use cases. As shown in Figure 1, ITSM chatbots are the clear leader in planned or actual AI deployments. Although nearly half of the IT managers said they have already deployed chatbots, it's worth noting that the training times, capabilities, and effectiveness of different chatbots can vary significantly.

Notably, all six of the AI applications identified have been adopted by at least 30% of the respondent organizations. On the flip side, significant percentages of the respondents indicated that they have no plans to deploy these AI-powered capabilities.

Achieving benefits requires core capabilities

So, how are AI-enabled ITSM/ITOM solutions performing within the organizations that have deployed them—either enterprisewide or amid select business units? In exploring this question, IDG uncovered mixed responses. Some expectations have not yet been met. However, in other cases, organizations reported having achieved unexpected benefits.

As shown in Figure 2, six of 10 potential benefits have been achieved by even greater numbers than what the organizations expected. Most notably:

- **25%** expected AI-powered ITSM/ITOM solutions to reduce IT staff workloads, and yet **39%** have already experienced this benefit.

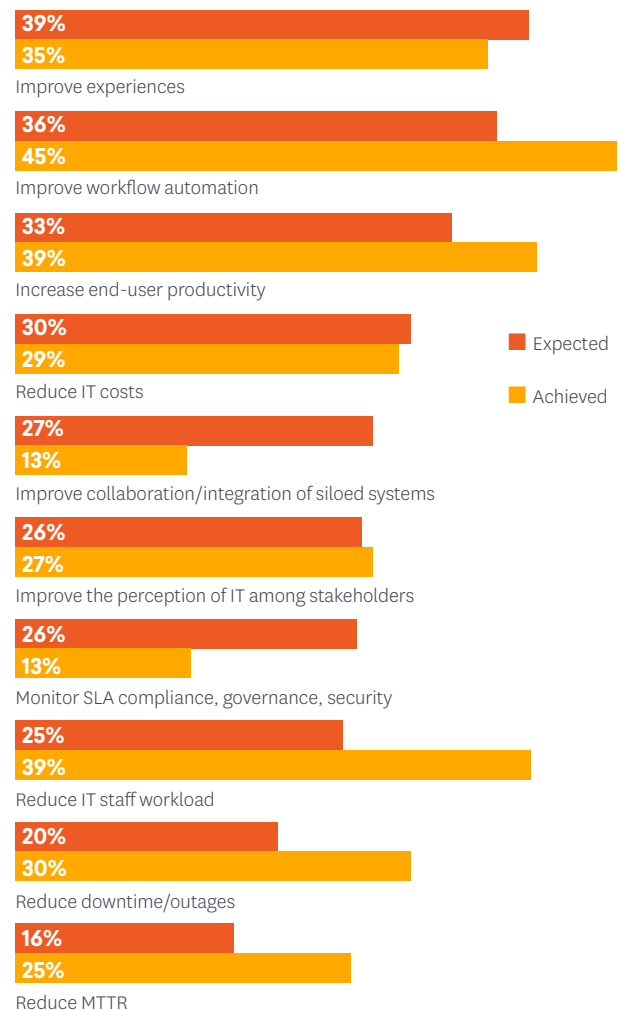
Organizations are also experiencing less downtime/outages and a shorter mean time to repair than expected.

On the flip side, some anticipated benefits have yet to be delivered. For example, whereas 27% of the respondents expected AI-enhanced solutions to improve the collaboration and integration of siloed systems, only 13% of the adopters have so far achieved this objective. Also, the benefit of monitoring service-level compliance, governance, and security has not been as widely experienced as expected.

Of course, the IDG survey results represent just a snapshot in time. It's possible—indeed likely—that all of the potential benefits will materialize more broadly as organizations gain more experience with AI-enabled solutions.

Figure 2. **Benefits Expected and Experienced by Applying AI Technology to ITSM/ITOM Systems***

**Based on responding companies that are fully implementing AI (232) or that have made initial implementations*



Source: IDG

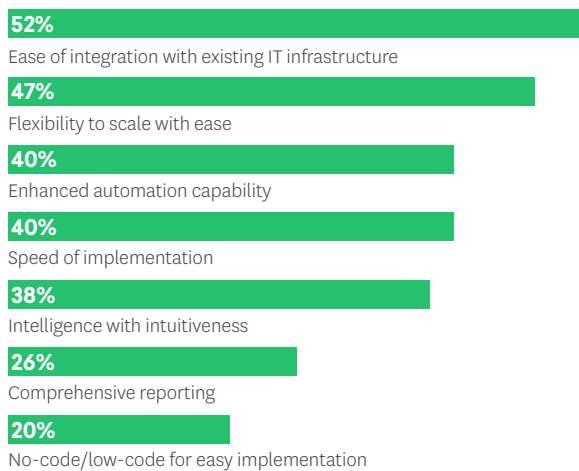
Despite the expected and achieved benefits, survey respondents cited a variety of deployment challenges. The following four topped the list:

- Speed of implementation (**40%**)
- Integration with legacy systems (**40%**)
- Overall cost of implementation (**38%**)
- Training the AI bots solution to return the most accurate response (**39%**)

Reflecting the difficulties associated with the top-rated challenge—the speed of implementation—most respondents expected this task to be a lengthy one. Nearly 70% of the respondents believed that it would take multiple weeks to go from initial deployment to full operations for AI-enabled solutions. More than a quarter thought this process would take months.

To take on these challenges, IT managers identified several prerequisites for AI-enabled ITSM/ITOM solutions. As shown in Figure 3, ease of integration with existing IT infrastructure is the most-desired characteristic.

Figure 3. Prerequisites for an AI Solution for ITSM/ITOM



Source: IDG

It should be noted, however, that the survey respondents were asked to list only their top three AI software prerequisites. As such, it is possible—indeed likely—that solutions offering no-code/low-code capabilities and the other two features in the lower portion of Figure 3 are also important and highly desired.

More broadly, large majorities of the survey respondents indicated that any AI solutions for ITSM/ITOM should be intuitive, scalable, collaborative, and easy to deploy. For example, 82% mostly or completely agreed with the statement: “We need a fast, pretrained, easy-to-deploy AI solution to meet our need.” Also, 85% mostly or completely agreed that “the more intuitive an AI application, the more likely it will be accepted and deployed.”

Gaining the AI edge for ITSM and ITOM success

IT leaders want intuitive, easy-to-deploy solutions that “delight” their agents and end users. That’s why Freshworks has sought to embody those characteristics in its solutions ever since its founding, in 2010. After debuting its first offering—Freshdesk, a cloud-based customer service software solution—Freshworks has significantly expanded its product and services portfolio and has built a worldwide customer base of more than 40,000 organizations.

The company’s cloud-based, low-code/no-code IT service management solution, Freshservice, provides an intuitive and intelligent rightsized solution that can be scaled for organizations and IT environments of all sizes and complexities. Freshservice leverages state-of-the-art AI and ML capabilities to ease the workload of IT agents and improve their productivity by automating mundane, repetitive tasks.

Forrester Research conducted a [Total Economic Impact study](#) of Freshservice to assess the cost savings and benefits the solution could deliver. Based on interviews with representative Freshservice customers, Forrester created a composite organization with 12,000 employees and a team of 250 service agents handling approximately 300,000 service requests annually. The benefits include:

- Savings of **nearly \$600,000** over three years due to increased service agent productivity
- Productivity gains of **just less than \$1.1 million** in end user (employee) time savings due to the service’s intuitive interface for creating service tickets
- A **308%** return on investment

For further information on how Freshservice can help you build IT service and operations management that is more automated, efficient, and intelligent, visit <https://freshideastoday.com>.