



// UK AND IRELAND ITSM IMPLEMENTATION  
MARKET REPORT

# The value of independence

WINTER REPORT

# INTRODUCTION – A FAST-GROWING MARKET THAT LETS CUSTOMERS DOWN

The ITSM (IT service management) market is vast and fast-growing as businesses implement software to deliver, support and optimise the lifecycle of their IT services.

A report from **360 Market Updates** estimates that in 2019, the global market for ITSM software was US\$ 2281.4 million. By the end of 2026, the research organisation expects the size of the market to hit US\$ 4991.1 million with a CAGR of 11.7% from 2021 to 2026.

The UK will be a big part of this growth. Yet an **ITSM Tools survey in 2017** found only **24%** of ITSM professionals thought current ITSM best practice had kept up with the changing IT and business landscapes. Each day, anecdotal evidence mounts of poorly executed and costly ITSM implementation projects that provide inadequate performance while burdening enterprises with excessive costs.

It was against this backdrop that Xcession decided to conduct its own research into the state of the ITSM market in the UK and Ireland.

## THE KEY FINDINGS

Conducted by Vitreous World among 250 senior IT decision-makers across multiple sectors of the economy, the research has revealed how the growing market for ITSM implementation is frequently failing its customers.

### THE RESEARCH REVEALED:



**8% of the 250 IT decision-makers in the UK and Ireland** surveyed think the ITSM market works ‘very well’



89% say implementers usually **get something wrong** and 55% have changed or **stopped working with an implementer** because they found it was not serving their needs



The more ITSM software systems respondents have, the **less likely they are to be satisfied** with the performance of their ITSM implementers

## 'THE FOG FACTOR' – LACK OF TRANSPARENCY FUELLED BY VENDOR LINK-UPS

In the past, the reputation of the ITSM sector has sometimes suffered due to a lack of transparency. ITSM software implementers linked to specific technology vendors have not always been fully focused on ensuring the customer obtains the best or most appropriate solution for their needs.

Unfortunately, this survey found these problems continue to undermine the market and the quality of service and outcome for customers.

### THE SURVEY REVEALS THAT:

46% of IT decision-makers believe the **market is opaque**

46%

40% say that after implementations they end up with **under-utilised software** and 39% with excessive licences that burden them with **unnecessary costs**

40%

49% suspect an implementer has **sold them, or is trying to sell them more software licences than they actually need** (12% don't even know if this is happening)

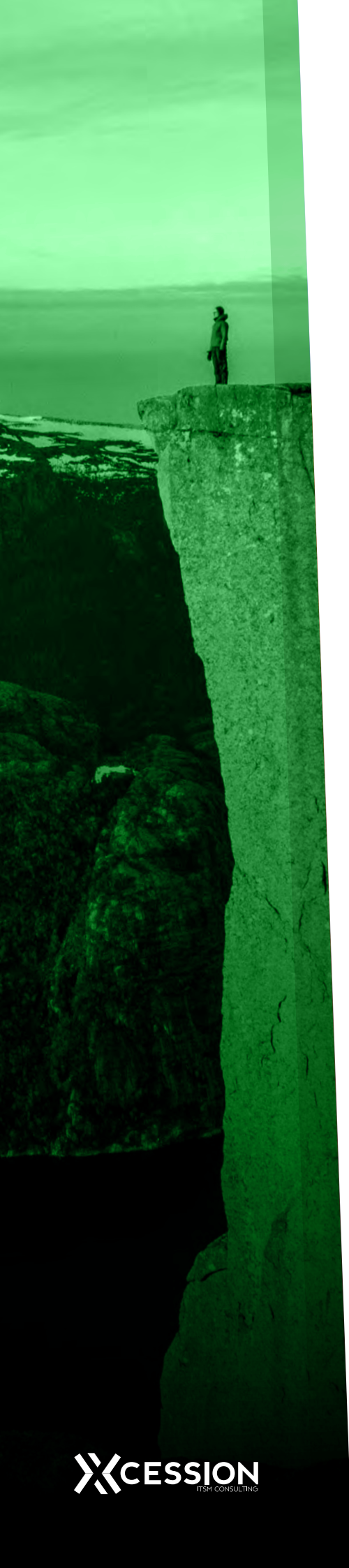
49%

64% of IT decision-makers who are responsible for **more than one system** have dispensed with the services of an ITSM implementer that **failed to deliver**, compared with 16% operating a single system

64%

The results paint a picture of an ITSM implementer market where suspicion, poor service and excessive costs are rife and genuine transparency is needed. Too many implementers are tied to vendors and focused on selling licences and increasing fees at the expense of high-quality, objective consultancy.





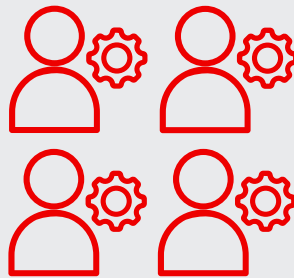
## COST AND BUDGET ISSUES TO THE FORE

The survey found that the area where IT decision-makers think their ITSM consultants or implementers most often get it wrong is failure to hit agreed timescales, cited by **28%** of the sample. This is followed by implementations that go over budget (**24%** of respondents). This is a particular bugbear for CTOs.

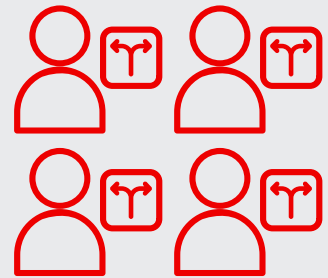
Some **44%** of CTOs surveyed say going over budget is the main problem with implementers.

More than four-in-ten IT decision-makers in the survey (**41%**) said the overall cost of implementation projects is too high as a result of poor performance by their implementation contractor or consultant.

It is not just implementations that are viewed as too expensive. Excessive costs of ITSM managed services are a major source of dissatisfaction for more than a third of respondents (**37%**). This is much truer for IT decision-makers operating more than one system (**41%**) than it is of those with a single ITSM system (**20%**).



44% of CTOs surveyed say **going over budget is the main problem** with implementers



Four-in-ten IT decision-makers in the survey said the overall **cost of implementation projects is too high**

# TRUST DISSIPATES THE MORE SYSTEMS A RESPONDENT HAS

Trust is a scarce resource in this marketplace. Nearly a fifth (19%) of respondents find it very difficult to know who to trust, with the figure climbing to 32% among the Chief Information Officers (CIOs) surveyed. Less than half of all respondents (44%) have total trust in their ITSM consultant or implementer for the delivery of what they need.

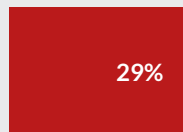
The findings also reveal that trust in implementers dissipates the more systems a respondent has.

## THE SURVEY FOUND THAT:

43% of respondents with **only one ITSM software system** say on average ITSM consultants or implementers meet their expectations all of the time



This falls to **fewer than three-in-ten** (29%) of those with more than one system



Respondents who currently operate **only one ITSM software system** are **much more likely to trust their implementer** totally (65%) to deliver what they need...



... **compared with 39%** of those operating **more than one system**



## FINDING A WAY FORWARD

The ITSM market may be growing fast but if that growth is to be sustainable and customer needs met, the market needs to address significant problems around implementation and service provision.

It's clear from these findings that many customers of ITSM implementers see the market as opaque and unsatisfactory, with poor results and higher-than-necessary costs. Trust between customer and implementer needs to improve if the market is to provide the best outcome for all concerned.

The deployment of ITSM should turbo-charge IT efficiency, reducing the hours spent on routine processes, eliminating a layer of costs and providing a faster, more resilient, productive network. Unfortunately, as is clear that many enterprises find themselves hit the cost of unnecessary licences and the inflated fees for implementation services which fail to deliver the gains promised.

This reveals the flaws in a market where many implementers or consultants are tied into specific software vendors. While the vendors have increased their margins, the implementers seek to maintain or grow their revenues through licence sales and implementation fees. These are significant costs, given that enterprise-level implementations can take many months.

**What's required above all is an approach that represents the customer, not the technology vendor, is fair, honest and direct, and delivers transparent service quality, efficiency and value for money.**

# THE VALUE OF INDEPENDENCE TO THE END-CUSTOMER

Most of the pitfalls identified in this research are avoidable if customers select an independent implementation partner that is not tied to any vendor but has the necessary breadth of software knowledge and depth of experience to focus on the customer's requirements and business aims. A partner that is not selling licences to claw back lost margin.

Genuine vendor agnosticism brings real benefits for enterprises in ITSM implementation. If they want to avoid being hit by a double or triple-whammy of high implementation costs, unnecessary licences and misconceived or poorly-functioning ITSM solutions, they should think twice before opting for a vendor-partner. Vendor-independence is the most reliable assurance of quality and value for money in the short and long terms and the only way to be certain of achieving an optimum set of solutions.

## ABOUT THE RESEARCH

- ▶ 250 IT decision-makers in UK and Ireland
- ▶ Roles include CIOs, CTOs, Directors and Heads of service management, IT managers etc
- ▶ 75% in private sector/25% in public sector
- ▶ 80% of respondents use more than one ITSM system
- ▶ 51% operate between two and five ITSM systems
- ▶ 22% operate between six and eight ITSM systems
- ▶ 34% from organisations with more than 500 employees

To find out more about Xcession and its expert, vendor-independent approach to ITSM implementation please visit our website, [www.xcession.co.uk](http://www.xcession.co.uk) or email us at [info@xcession.co.uk](mailto: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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