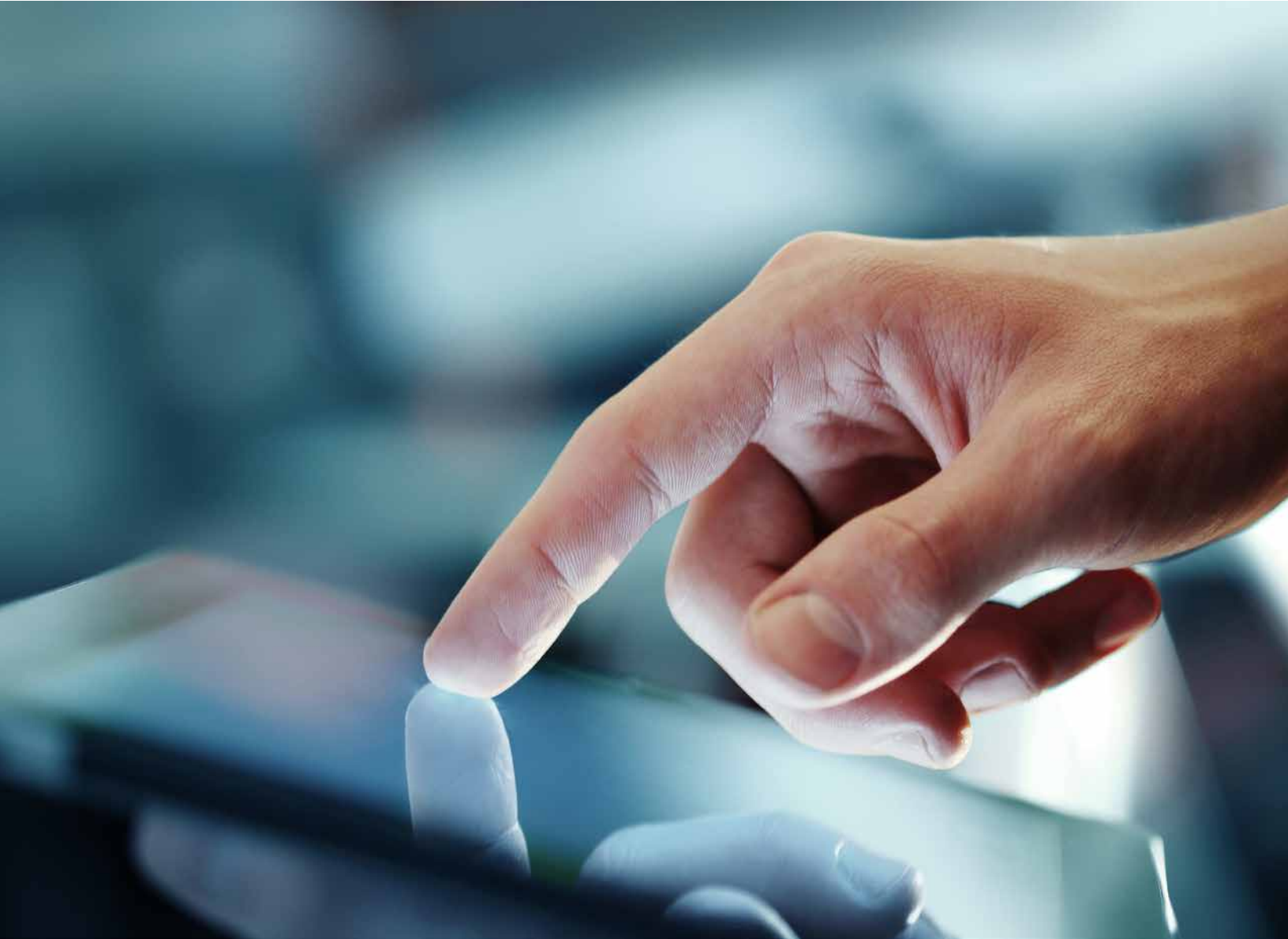


# **The State of Today's IT: Process Maturity, Business Alignment, and Digital Transformation**



## Introduction

In order to discover more about what IT organizations are doing, planning to do, and thinking about their current states of process maturity and digital transformation, HDI fielded a survey in February and March 2017. The survey also explored framework and methodology adoption, and asked questions seeking to further illuminate the current state of IT organizations. Are they predominately reactive or proactive? Are they aligned with the businesses of which they are a part? The findings are summarized here, based on a total of 184 verified responses.

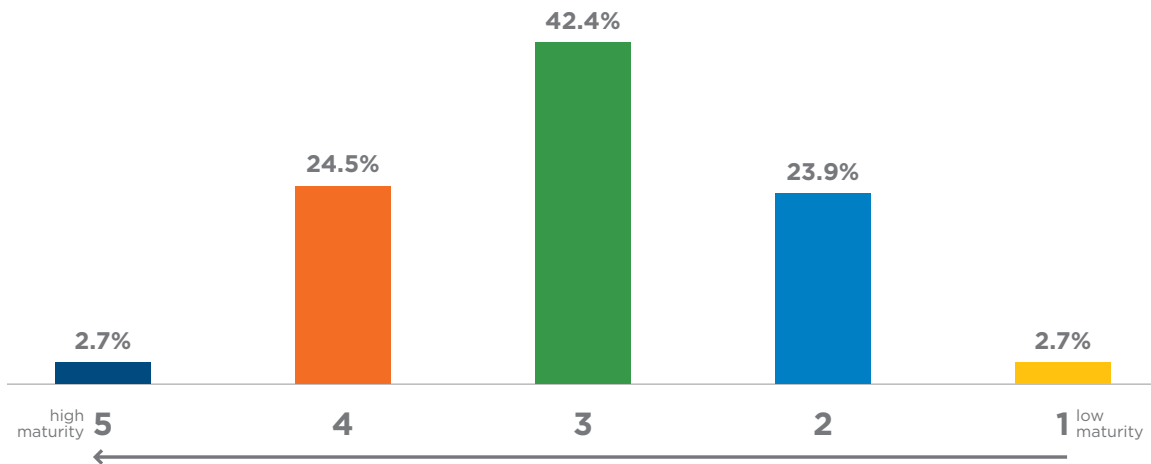
Almost all respondents to the survey consider technology to be strategic to their organizations: **93.7% of the overall response, and 100% of the organizations we determined are business aligned.**

## Process Maturity Self-Rating and Alignment with Business

IT organizations that are aligned with their businesses are making decisions and undertaking projects and other work based on *business needs* and *business goals*, as opposed to their own. For the purposes of analysis, we dove deeper to examine IT organizations that are *business aligned* (an explanation of what we mean by alignment follows on the next page), comparing them against those organizations that identify themselves as high maturity (self-ranked above 3 on a scale of 5 where 5 is highest) and low maturity (self-ranked below 3).

The overall results of the self-ranking show a normal distribution (Figure 1):

**Figure 1: Self-Ranked Process Maturity**



In order to determine how closely aligned the respondent IT organizations are with the businesses they serve, we asked a series of questions to develop a profile of what it means to be in alignment.

By *alignment*, we mean:

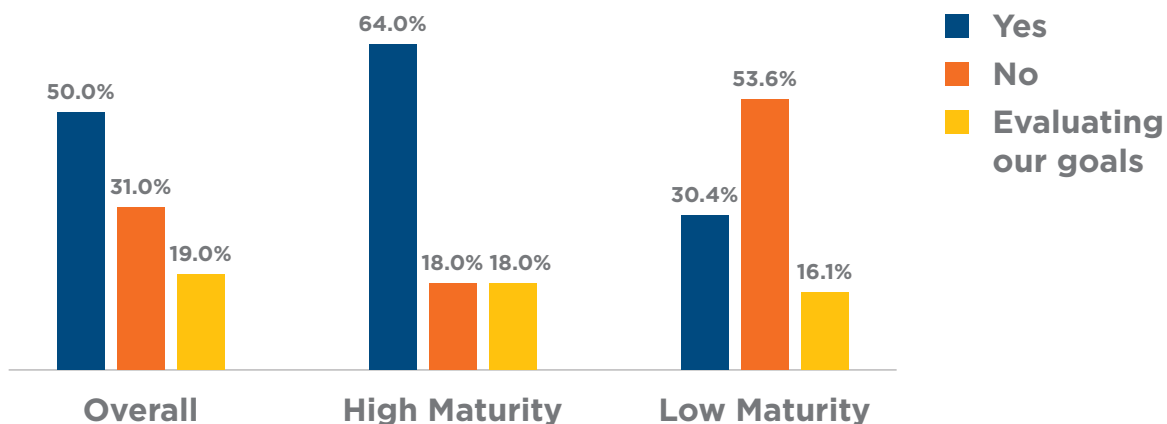
- Goals are oriented around business outcomes
- IT success measures aligned with business outcomes
- IT goals are shared with business partners
- Results are reported to business partners and stakeholders
- Requirements for projects are more likely to be flexible according to changing business priorities
- Higher likelihood of the priority of IT projects being set by business management on a scored basis, and lower likelihood that project priorities are being set by IT directors and managers

Business-aligned organizations—those that best fit the description of alignment above—are the largest group (sometimes referred to as a *cohort*) represented among respondents (n=53). Comparing those organizations to the overall respondents illuminates the characteristics that improve IT's relationship with business units and partners.

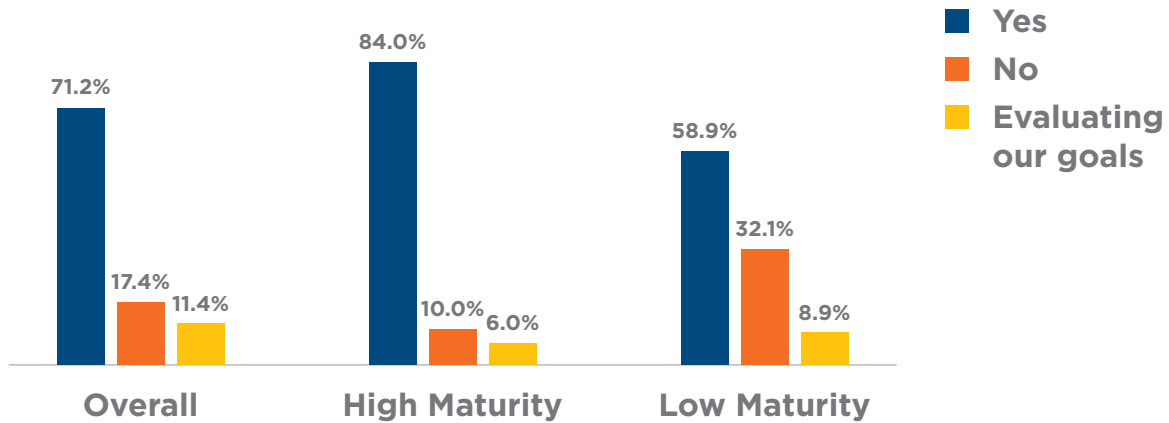
There are significant differences between organizations that are business aligned and the overall sample. Fifty percent of the overall sample said they have goals oriented around business outcomes, compared with 71.7% of the business-aligned group.

Likewise, organizations in the mature group (maturity above 3) are the most likely to have goals oriented around business outcomes. More than twice the percentage of mature organizations orient their goals this way as compared to low-maturity (3 or lower) organizations.

**Figure 2: Are Goals Oriented Around Business Outcomes?**

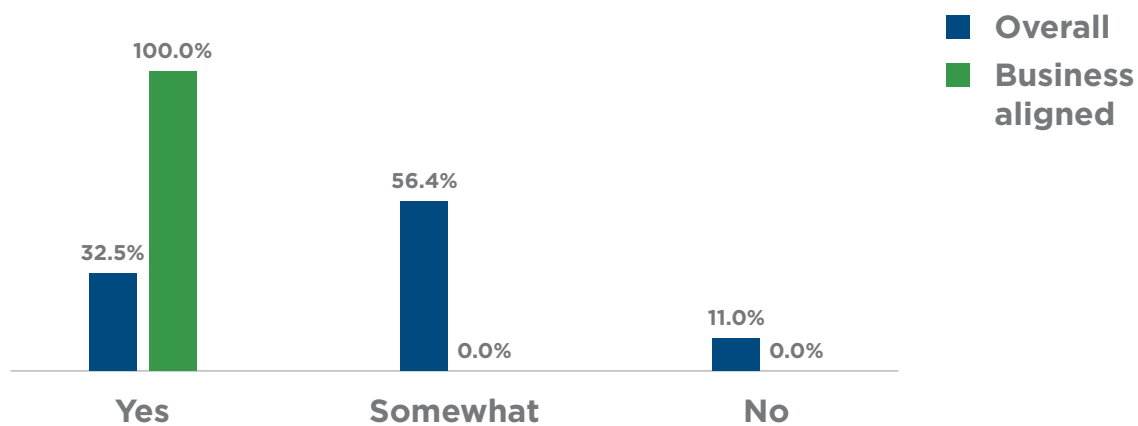


**Figure 3: Does Your IT Organization Share Goals with Your Business?**



Not surprisingly, the mature group tends to share goals with their business partners, as shown in Figure 3. The highest percentage of all was the business-aligned group (92.5%); this is one of the criteria that indicates business alignment.

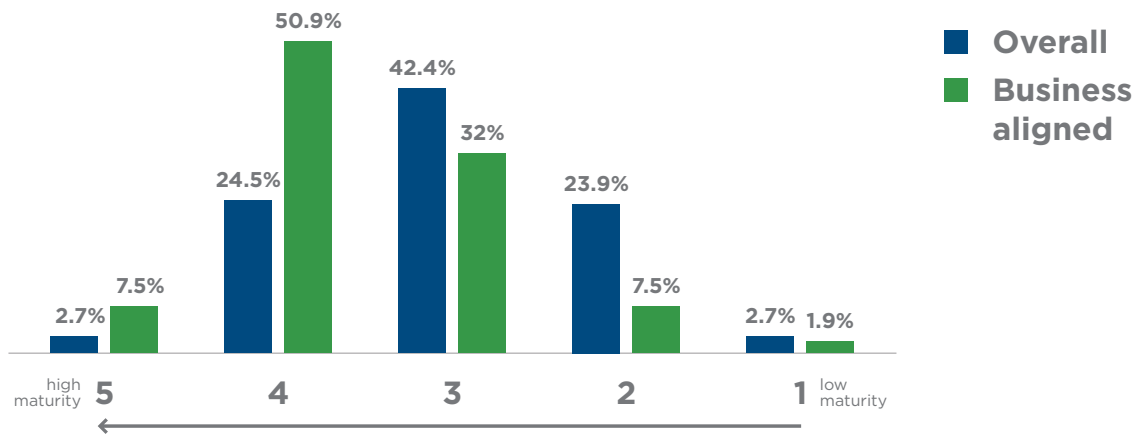
**Figure 4: Are IT Success Measures Aligned with Business Outcomes?**



Most strikingly—and perhaps defining positive business alignment most clearly—all the business-aligned respondents said that IT success measures are aligned with business outcomes. This goes beyond orienting goals around the outcomes, and indicates that these IT organizations measure their success in a way that aligns as well. More than half the overall sample said the measures were only somewhat aligned, as shown in Figure 4.

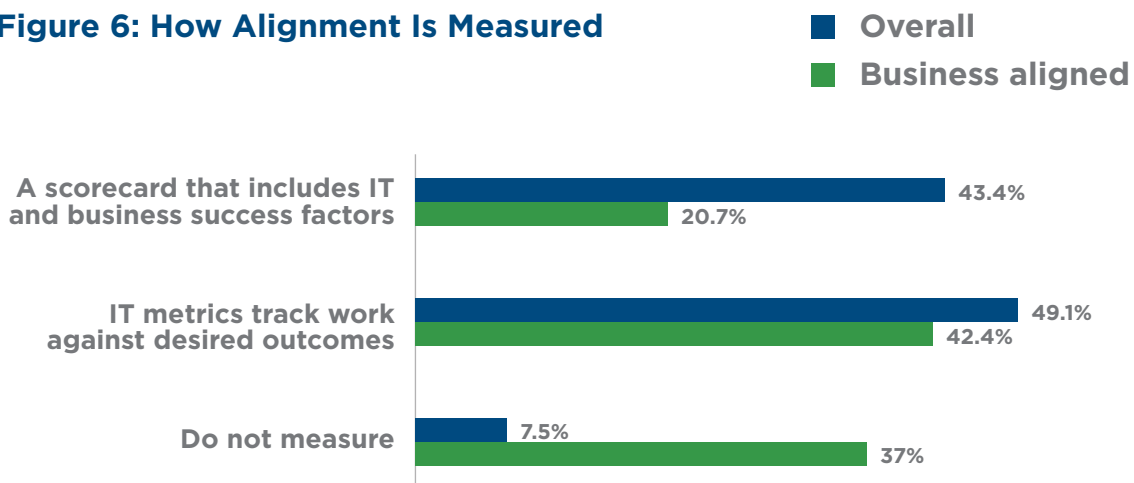
If we now look again self-ranked process maturity and compare the overall results with the business-aligned group, we can see differences emerge (Figure 5).

**Figure 5: Process Maturity Overall vs. Business Aligned**



Organizations that are positively aligned with their business' goals are far more likely to rate themselves high in process maturity as well; in fact, almost three times the percentage of business-aligned organization rated themselves at 5, more than twice the percentage rated themselves at 4, and lower percentages than the overall sample rated themselves at 3 or lower.

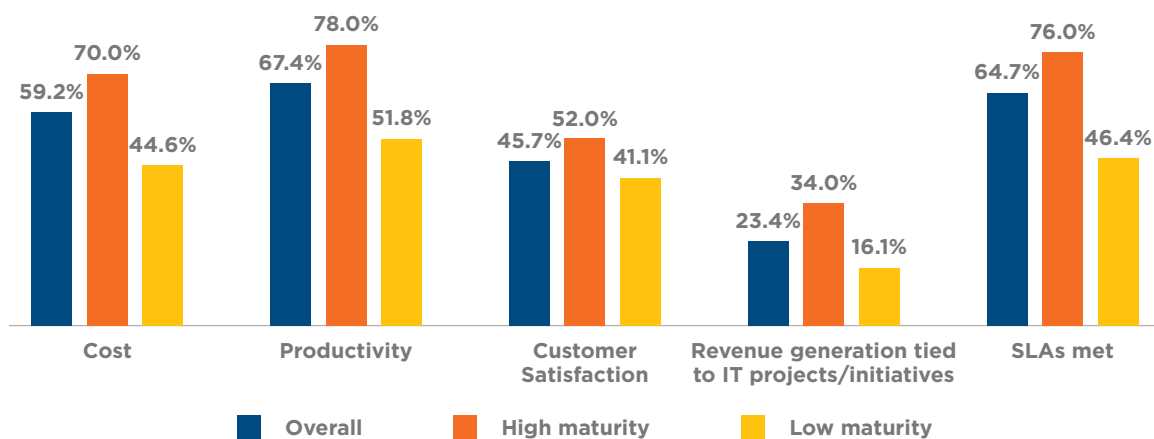
**Figure 6: How Alignment Is Measured**



Over one-third of the organizations in the overall sample simply do not measure the alignment between IT success measures and business outcomes, and less than 21% of the overall sample use a balanced scorecard approach to measurement. On the other hand, less than 8% of the business-aligned group don't measure alignment, and over 43% use a scorecard method. Nearly half (49.1%) say their IT metrics track against desired outcomes.

Business-aligned organizations are more likely to measure what is important to the business or institution of which they are a part. This group measured cost, productivity, customer satisfaction, and, significantly, revenue generation tied to IT projects and/or initiatives in higher percentages than the overall sample. Only in measuring SLAs met did they trail the overall sample (64.7% to 60.4%), but SLAs articulate minimum level of service required, not business—or IT—goals. The largest differentiators are in measurement of productivity and revenue generation tied to IT projects. In both of those, the business-aligned group was more than 13 percentage points higher than the overall sample (81.1% business aligned vs. 67.4% overall for productivity; 37.7% business aligned vs. 23.4% overall for revenue generation).

**Figure 7: Which of These Does Your IT Organization Measure?**

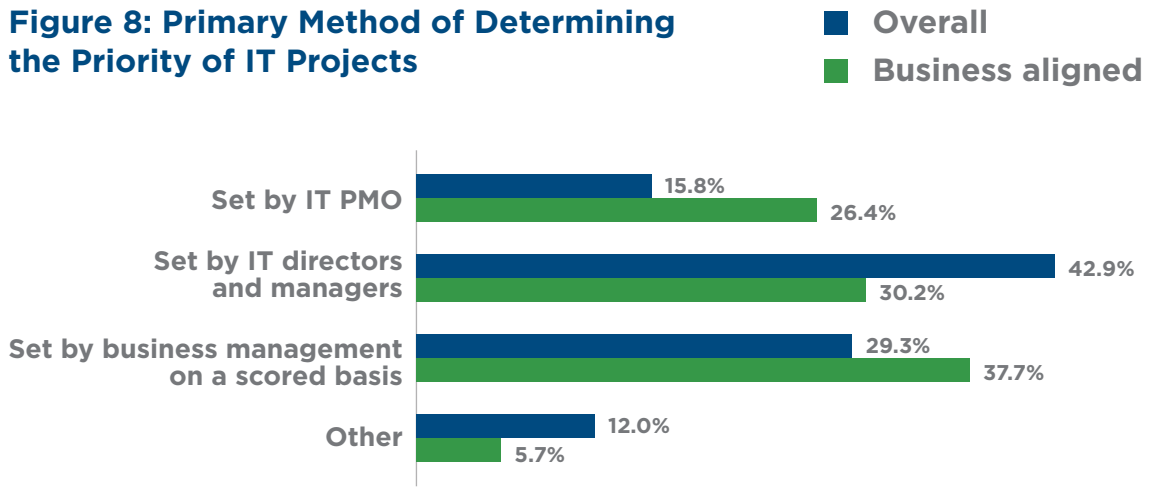


Organizations in the mature group show higher percentages of measuring these metrics across the board (Figure 7).

Business-aligned organizations are not very different from the overall sample when we look at the factors that determine when and how often they meet with business partners to define key projects and priorities. However, business urgency and impact is more likely to drive these meetings by nearly ten percentage points; other differences are small.

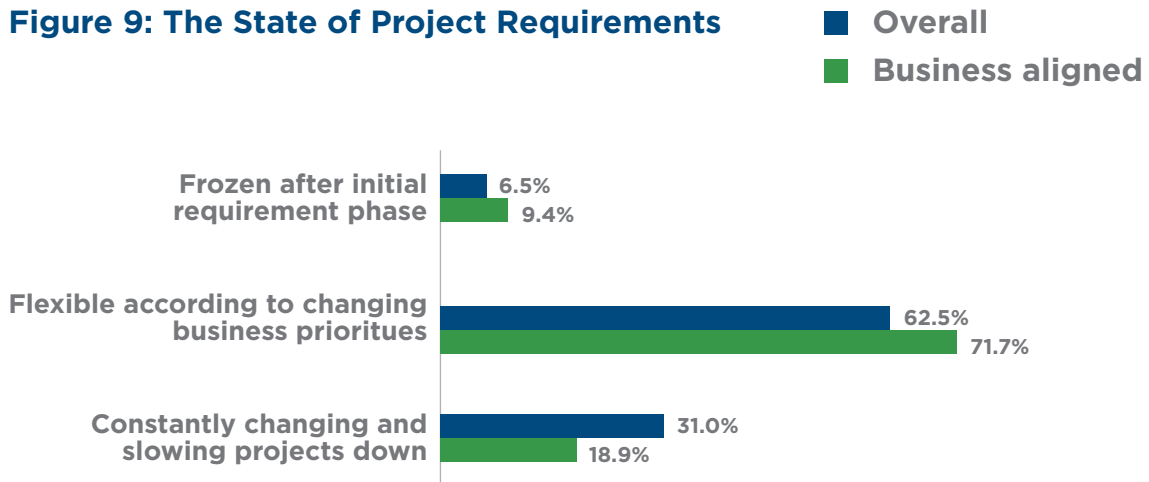
Organizations in the business-aligned group are more likely to have IT project priorities set by the project management office (PMO), or by business partners on a scored basis, than the overall sample. They are much less likely (by 12.7%) to have priorities set by IT directors and managers (Figure 8).

**Figure 8: Primary Method of Determining the Priority of IT Projects**



Business-aligned organizations, while keeping requirements flexible for changing business priorities, are less likely to have those requirements in a state of flux that slows projects down (Figure 9).

**Figure 9: The State of Project Requirements**



## Frameworks and Methodologies Currently Used

There is no clear “winner” with regard to a particular framework or methodology used by members of the business-aligned and/or mature groups. However, KCS (Knowledge-Centered Service/Support) comes close, getting 46% of the business-aligned group and 50% of the mature group. ITIL is in widest use, but also shows as less of a favorite among business-aligned and mature groups. Six Sigma is rarely used in low-maturity organizations. Agile, Scrum, and DevOps are relative newcomers to the broader field of IT management, and part of the attraction for IT is the focus of these on outcomes rather than processes (Figures 10 and 11).

**Figure 10: Frameworks and Methodologies Used Overall and by Business-Aligned Organizations**

Framework/Methodology	Overall	Business-Aligned Group
Agile	47.5%	<b>56% *</b>
CMMI	13.1%	<b>22%</b>
COBIT	11.3%	<b>12%</b>
DevOps	22.5%	<b>26% *</b>
HDI Support Center Standard	35.6%	<b>38%</b>
ISO 9000	15%	<b>24%</b>
ISO/IEC 20000	11.3%	<b>18%</b>
ISO/IEC 27000	6.3%	<b>12%</b>
ITIL	<b>74.4%</b>	66%
Kaizen	9.4%	<b>12%</b>
Kanban	14.4%	14%
KCS	30.6%	<b>46% *</b>
Lean	25%	<b>30% *</b>
MOF	9.4%	<b>18% *</b>
PMF	3.8%	<b>8%</b>
Scrum	26.9%	<b>30% *</b>
Six Sigma	18.1%	<b>22%</b>
TQM	3.8%	4%
Other	4.4%	<b>8%</b>

**Figure 11: Frameworks and Methodologies Used Overall and by High/Low Maturity Organizations**

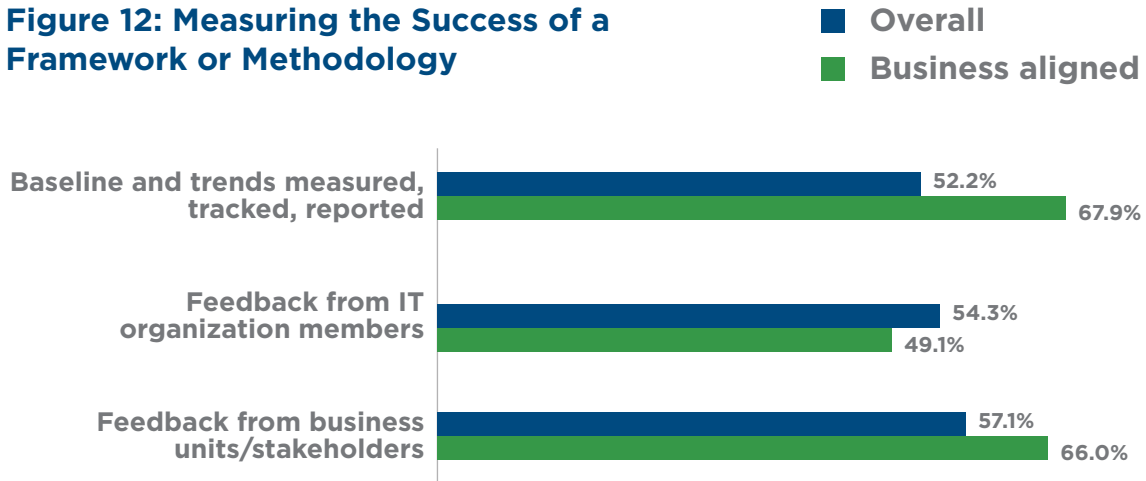
Framework/Methodology	Overall	High Maturity	Low Maturity
Agile	47.5%	43.8%	<b>53.5%</b>
CMMI	13.1%	<b>25%</b>	7%
COBIT	11.3%	<b>12.5%</b>	11.6%
DevOps	22.5%	22.9%	<b>30.2%</b>
HDI Support Center Standard	35.6%	<b>35.4%</b>	27.9%
ISO 9000	15%	<b>29.2%</b>	11.6%
ISO/IEC 20000	11.3%	<b>25%</b>	4.7%
ISO/IEC 27000	6.3%	<b>14.6%</b>	4.7%
ITIL	74.4%	68.8%	<b>72.1%</b>
Kaizen	9.4%	<b>14.6%</b>	7%
Kanban	14.4%	<b>14.6%</b>	14%
KCS	30.6%	<b>50%</b>	14%
Lean	25%	<b>29.2%</b>	14%
MOF	9.4%	<b>14.6%</b>	9.3%
PMF	3.8%	8.3%	0%
Scrum	26.9%	29.2%	30.2%
Six Sigma	18.1%	31.3%	2.3%
TQM	3.8%	10.4%	0%
Other	4.4%	6.3%	7%

Figures 10 and 11: Higher values highlighted except where difference is less than .5%  
ITIL is a registered trademark of AXELOS Limited.  
KCS is a service mark of the Consortium for Service Innovation.

Many frameworks and methodologies are designed to be compatible with each other, so using multiple frameworks and methodologies can be a way to maximize good practice across several areas or disciplines.

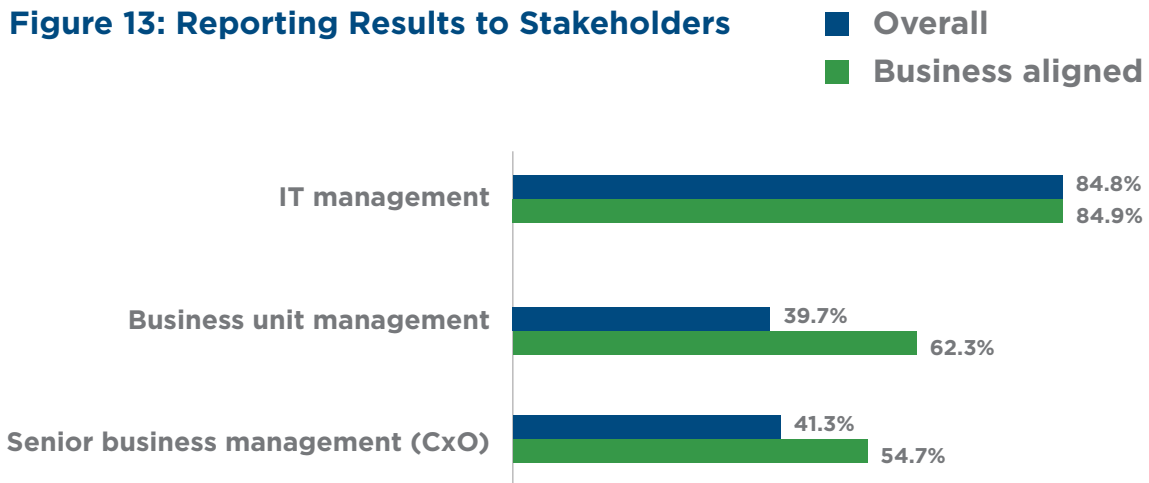


**Figure 12: Measuring the Success of a Framework or Methodology**



If a particular framework or methodology has been adopted, how does an organization know whether it is having the desired effects? Business-aligned group organizations are less likely to depend on feedback from members of the IT organization and more likely to track metrics and listen to feedback from business stakeholders (Figure 12).

**Figure 13: Reporting Results to Stakeholders**

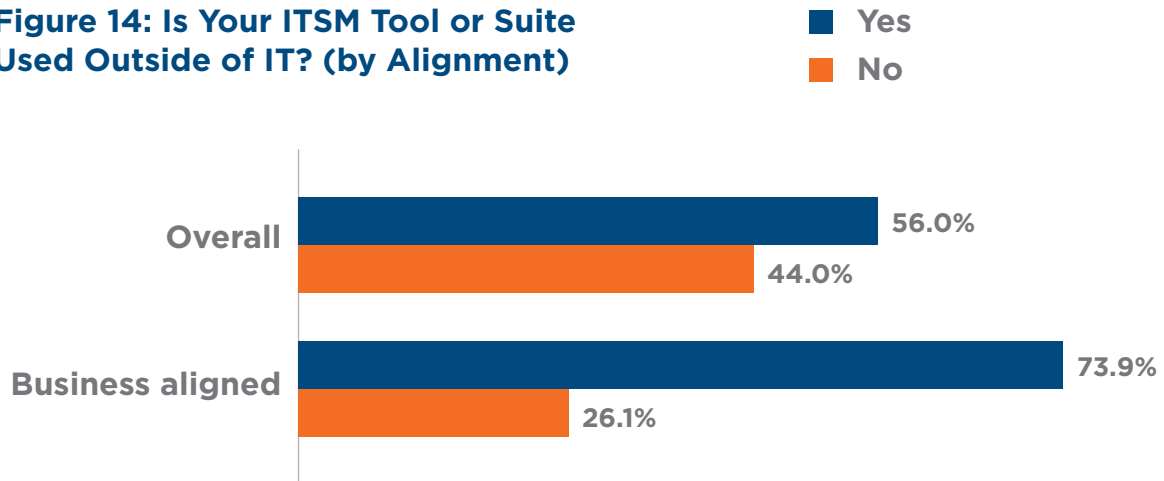


Although an equal percentage (almost 85%) of the overall sample and of the business-aligned group report results to IT management, much larger percentages of the business-aligned group report results outside of IT, to both business unit management and to senior business management (Figure 13).

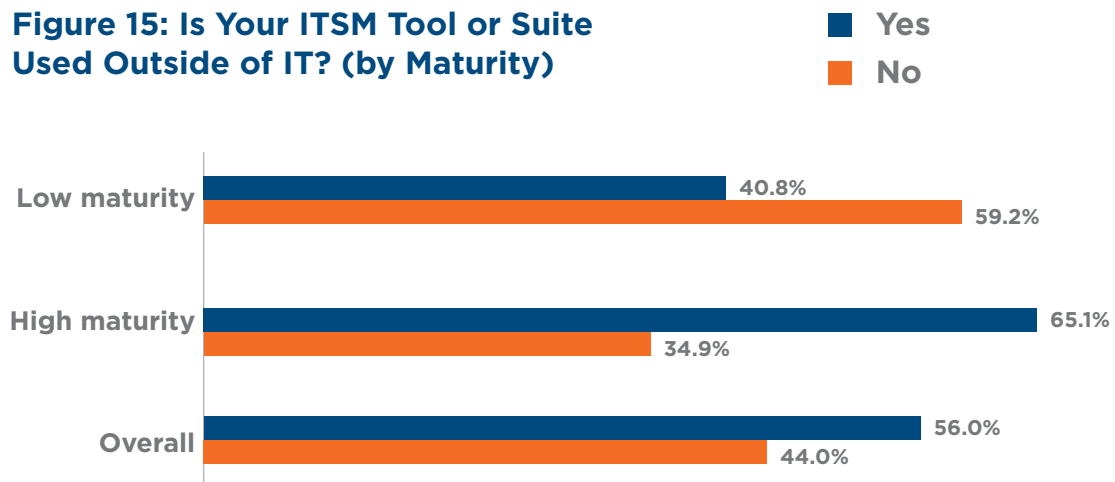
## ITSM Tools and Use

About three-quarters of organizations use a full ITSM tool or suite.

**Figure 14: Is Your ITSM Tool or Suite Used Outside of IT? (by Alignment)**



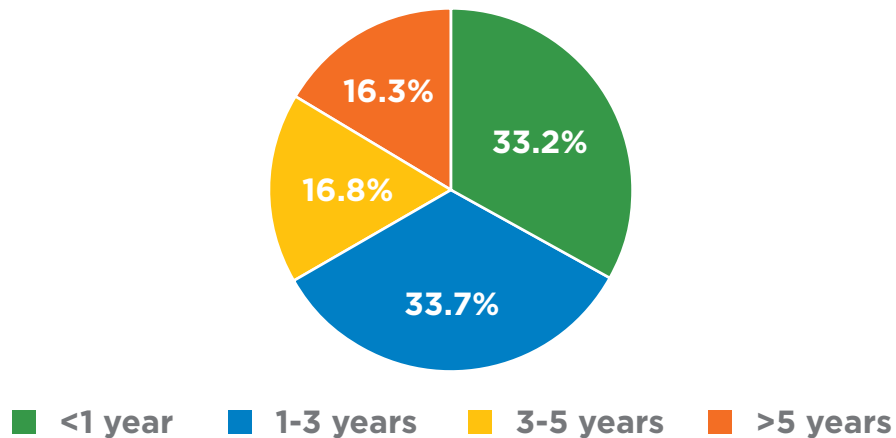
**Figure 15: Is Your ITSM Tool or Suite Used Outside of IT? (by Maturity)**



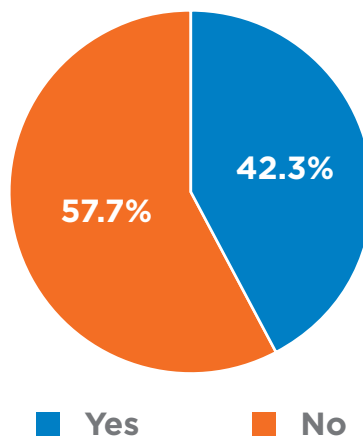
When we look at the use of the tool or suite outside of IT (leaning toward enterprise service management), we find a much larger differentiation between the overall sample and the business-aligned group; almost 48 percentage points separate the yes and no response within that group, and nearly three-quarters of the business-aligned group answered yes versus a little over half (56%) in the overall sample. The mature group also is more likely to use the ITSM tool outside of IT, and the low-maturity group less likely.

Service management software has undergone many changes in the past few years, a reflection of the changing roles and responsibilities of IT. We asked respondents to tell us about the age of their current tool, as well as its mobile capabilities.

**Figure 16: Age of Current ITSM Tool (Overall)**

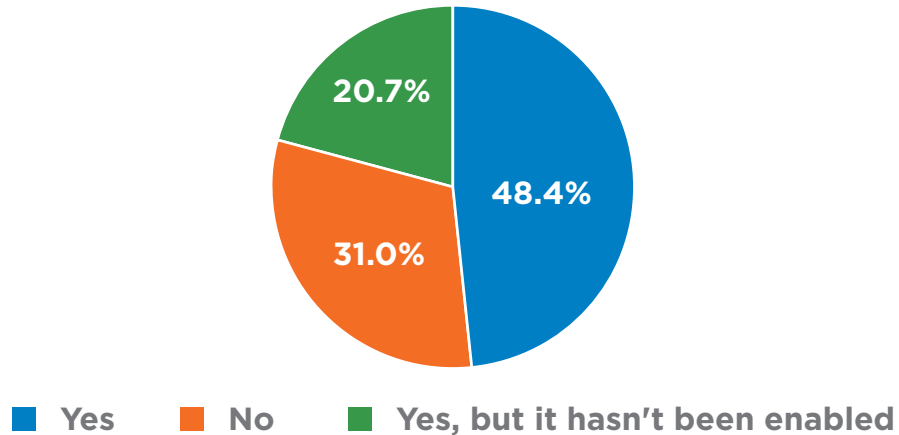


**Figure 17: Does Your ITSM Tool Support Social Collaboration Capabilities?**

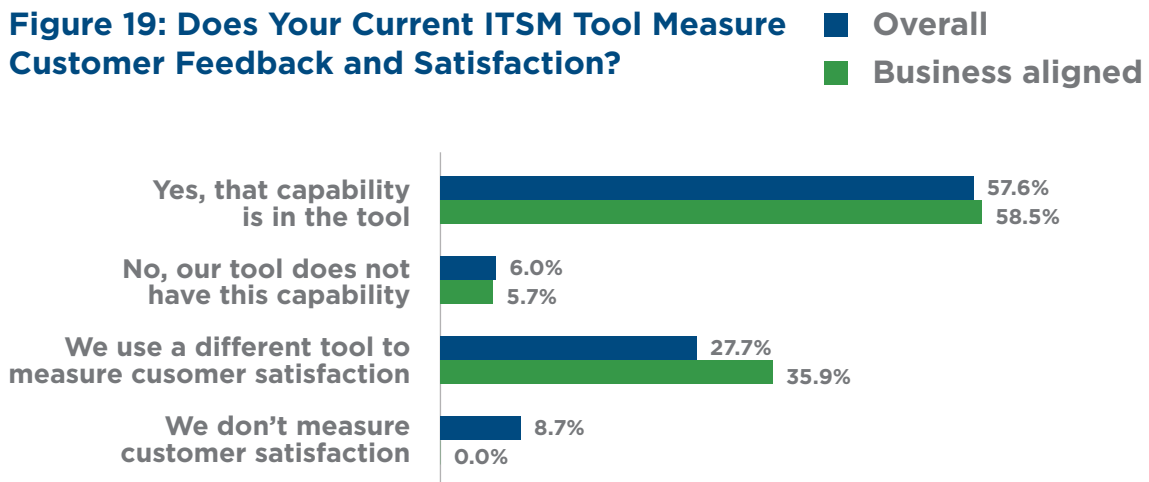


Less than half of the respondents said that their ITSM tool has social collaboration capabilities, and, strikingly, less than half said that the tool is available on mobile devices. Almost 21% said that mobile capability exists in the tool but has not been enabled (Figure 18).

**Figure 18: Is Your ITSM Tool Available on Mobile Devices?**



**Figure 19: Does Your Current ITSM Tool Measure Customer Feedback and Satisfaction?**

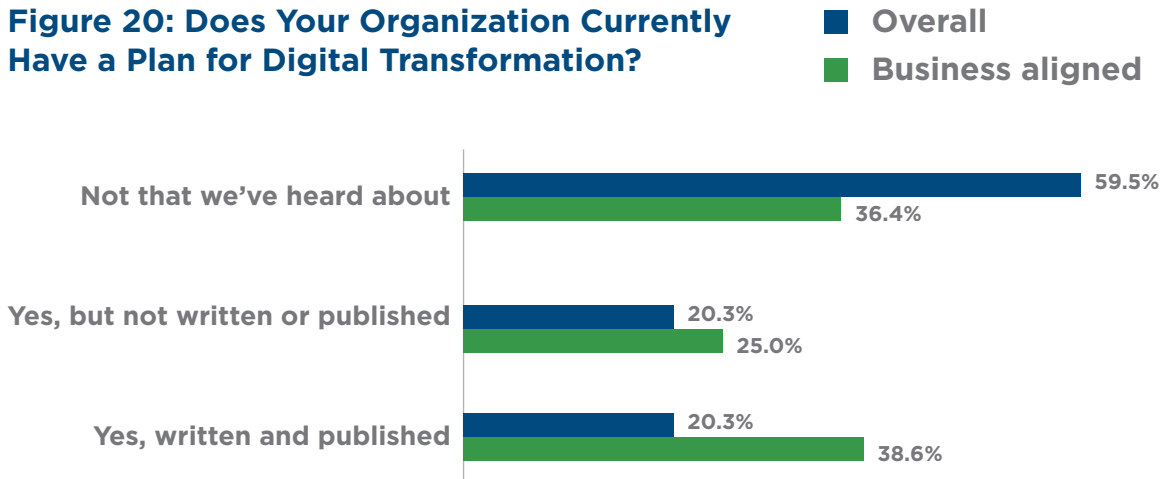


While both the overall sample and the business-aligned group have, in almost equal measure, the capability in their ITSM tools to measure customer feedback, almost 9% of the overall sample do not use this measure. All of the business-aligned group measures customer feedback and/or satisfaction. The business-aligned group is also more likely to use a separate tool for these purposes (obviously, since not all of them report that their current tool has the capability to measure customer feedback).

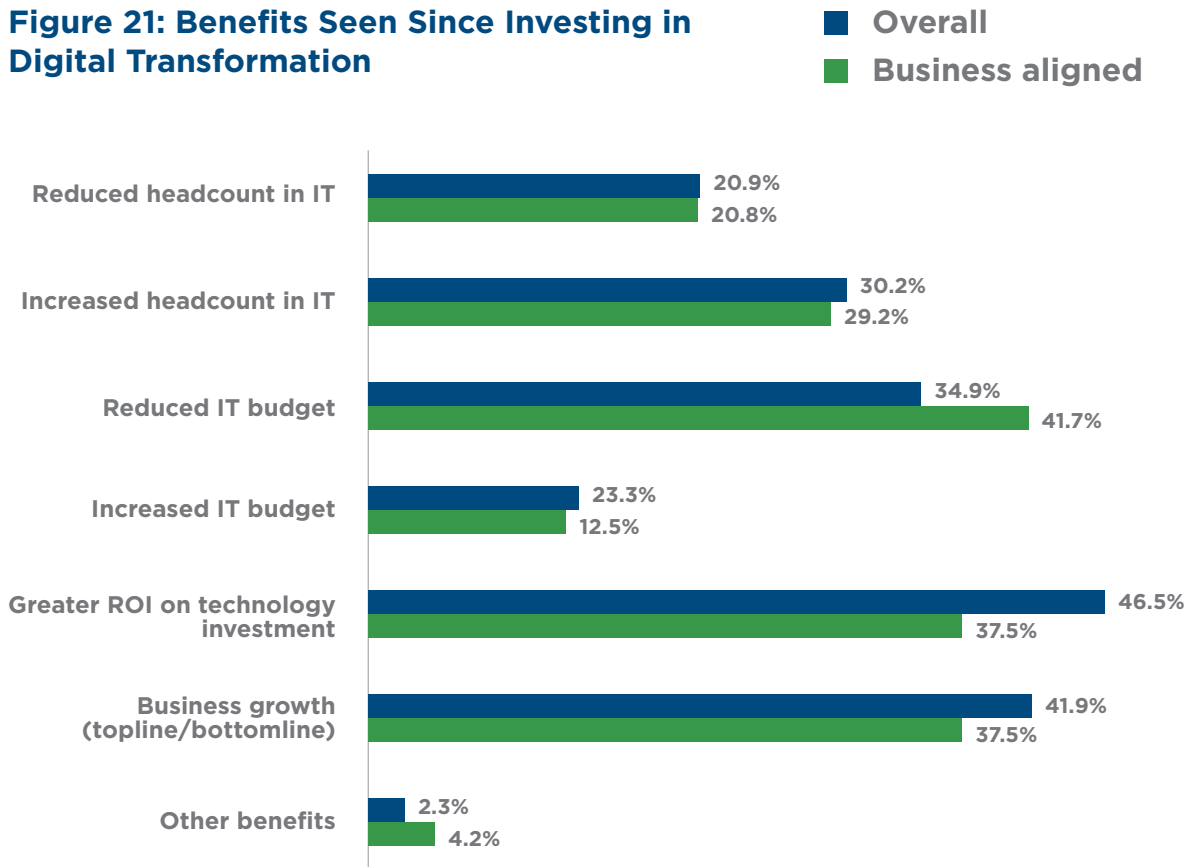
## Digital Transformation

Digital transformation (defined well [here](#)) is taking place across businesses and organizations of all types, but is happening at various speeds and in various ways. Almost 60% of the respondents said they have not heard about any plans for digital transformation, while the awareness—and publication—of such plans is more prevalent in the business-aligned group (Figure 20).

**Figure 20: Does Your Organization Currently Have a Plan for Digital Transformation?**



**Figure 21: Benefits Seen Since Investing in Digital Transformation**



Higher percentages of both the overall sample and the business-aligned group have increased headcount in IT since beginning digital transformation. The most desired results, namely greater ROI and business growth at the top and bottom lines, were more common in the overall sample than in the business-aligned group (Figure 21). This may be a function of more accurate assessment, but we cannot say from the data at hand.

Business-aligned organizations are more likely to spend money on technologies such as artificial intelligence (AI), predictive analytics, service automation, and virtual agents over the next twelve months, and far less likely to have no plans (Figure 22).

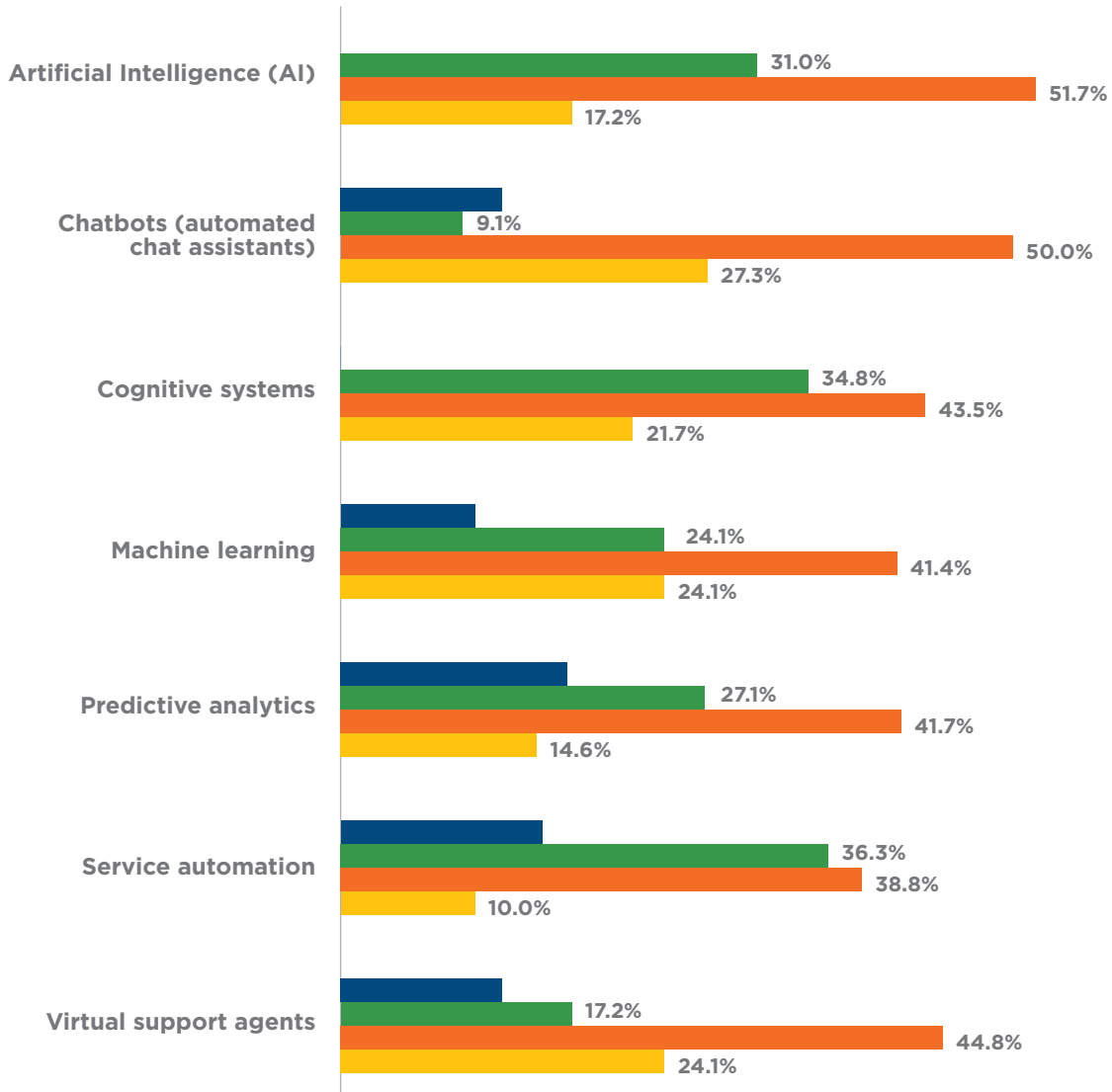
**Figure 22: Tool/Technology Investments Expected in the Next Twelve Months**

Tool/Technology	Overall	Positively Aligned
Artificial intelligence (AI)	10.3%	17%
Big data	27.2%	37.7%
Business service management (BSM)	14.1%	15.1%
Chatbots	10.9%	9.4%
Cloud applications	63.6%	64.2%
Collaboration/employee networking tools	29.3%	26.4%
Customer experience/customer feedback tools	31.5%	34%
In-house developed applications (homegrown)	32.1%	35.8%
Machine learning	9.8%	13.2%
On-premises applications	19.6%	18.9%
Predictive analytics	16.8%	20.8%
Service automation	46.7%	56.6%
Virtual support agents	12.5%	17%
Other	7.1%	11.3%
No plans	8.7%	1.9%

*Higher values highlighted*

**Figure 23: Current Level of Use of Technologies**

■ High    ■ Medium  
■ Low    ■ Implementing



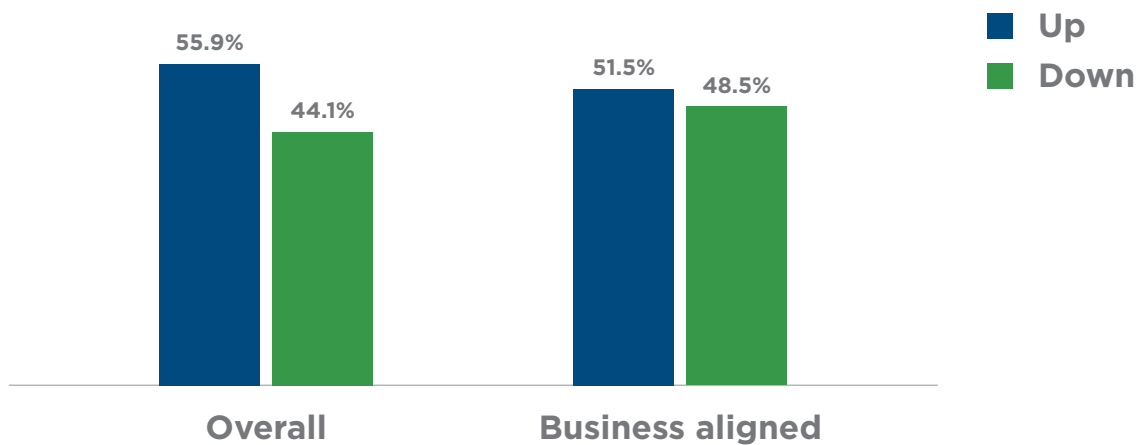
Where advanced technologies are in use today, they are mostly in the low to medium range of use (Figure 23).



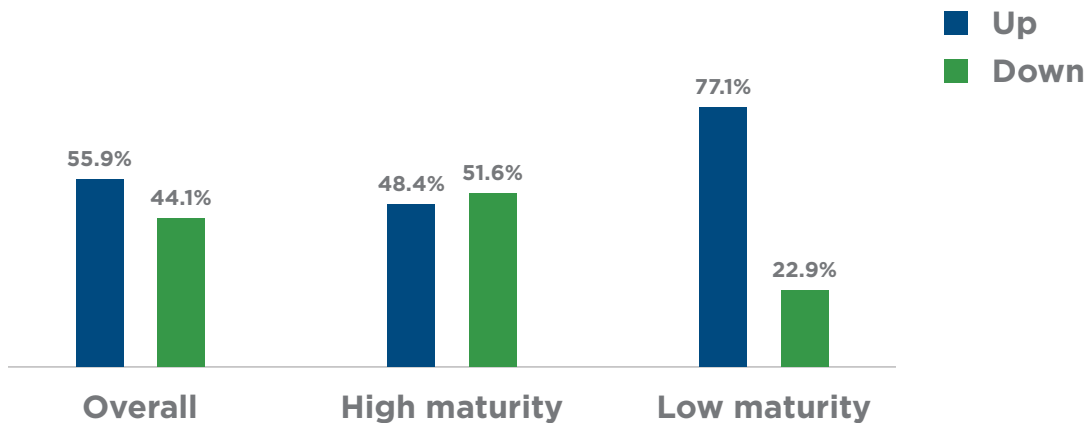
## IT Stability as Indicated by Number of Incidents

Incidents are unplanned interruptions of service. They prevent customers and users from getting work done, slow communications, and cost money. As IT progresses, one expectation is that the number of incidents stops trending upward and begins trending down. In just less than half of business-aligned organizations and just over half of mature organizations is this evident. Most organizations are still seeing upward trends in the number of incidents (Figures 24 and 25).

**Figure 24: Is the Number of Incidents Currently Trending Up or Down, Period Over Period? (by Alignment)**



**Figure 25: Is the Number of Incidents Currently Trending Up or Down, Period Over Period? (by Maturity)**



## Additional Findings

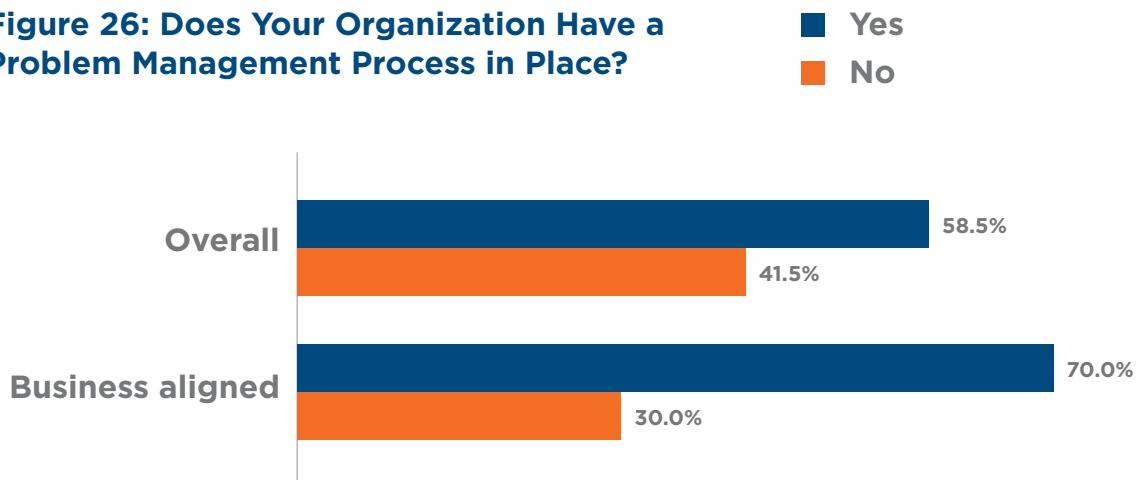
### The effects of company size

- More than two-thirds of organizations with more than 50,000 employees have goals oriented around business outcomes, compared with 58% of those with 5,000-9,999 employees and 54% of those with 1,000-4,999. Other organizations report lower percentages.
- Almost 87% of organizations with more than 50,000 employees measure cost, the highest percentage of all organizations. About 56% of organizations with 20,000-49,999 employees measure cost.
- Almost 87% of organizations with more than 50,000 employees share their goals with the business.
- No organization with more than 50,000 employees rated themselves at 5 for maturity. Over 13% of these large organizations rated themselves 1 (low maturity).
- About 4% of organizations with 5,000-20,000 employees rated themselves at 5 for maturity. Meanwhile, over 12% of those with 5,000-9,999 employees rated themselves at 1 for maturity.

### Proactive vs reactive

- 31% of respondents say that project plans are constantly changing and slowing projects down; 62.5% say the plans are flexible within limits.
- The service desk uses alerts and monitoring tools in less than 60% of organizations, meaning that outages are either being reported by other groups or by affected customers.
- 13% of organizations track interrupted user minutes; 17% track cost of downtime. The associated costs of reactivity, such as lost time, are not being tracked.
- While almost 60% of respondent organizations have a problem management process in place (Figure 26), business-aligned organizations are more likely to have it, by over 11 percentage points.

**Figure 26: Does Your Organization Have a Problem Management Process in Place?**



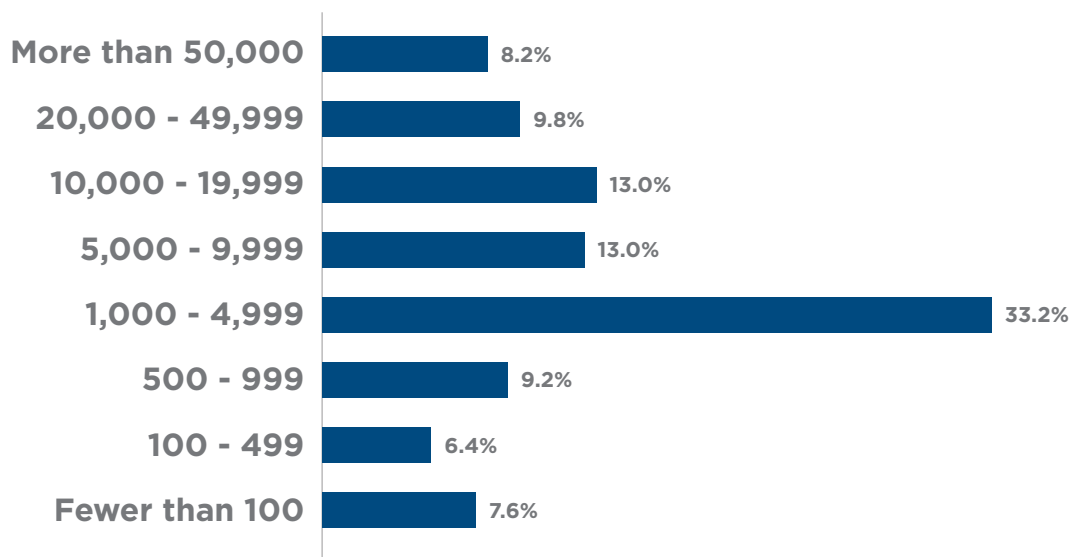
## Conclusions

- Digital transformation, at least as the term is understood by respondents to the survey, is unclear and has been articulated in only about 20% of organizations.
- IT is still largely setting its own agenda, based on the responses about project priorities and who is setting them.
- IT is not well aligned toward business outcomes, except in some organizations represented in the business-aligned and mature groups.
- While service automation has taken hold in a large percentage of organizations, AI, cognitive systems, and machine learning have not.
- If the respondents are correct, there will be no rush to AI, cognitive systems, virtual support agents, or chatbots in the next two years. There does, however, appear to be urgency around investing in cloud applications and service automation.
- AI, cognitive systems, and machine learning have not caused major reductions in IT headcount; in fact, organizations are reassigning employees to other tasks, or hiring new IT employees. This touches on a major concern of employees in IT groups.

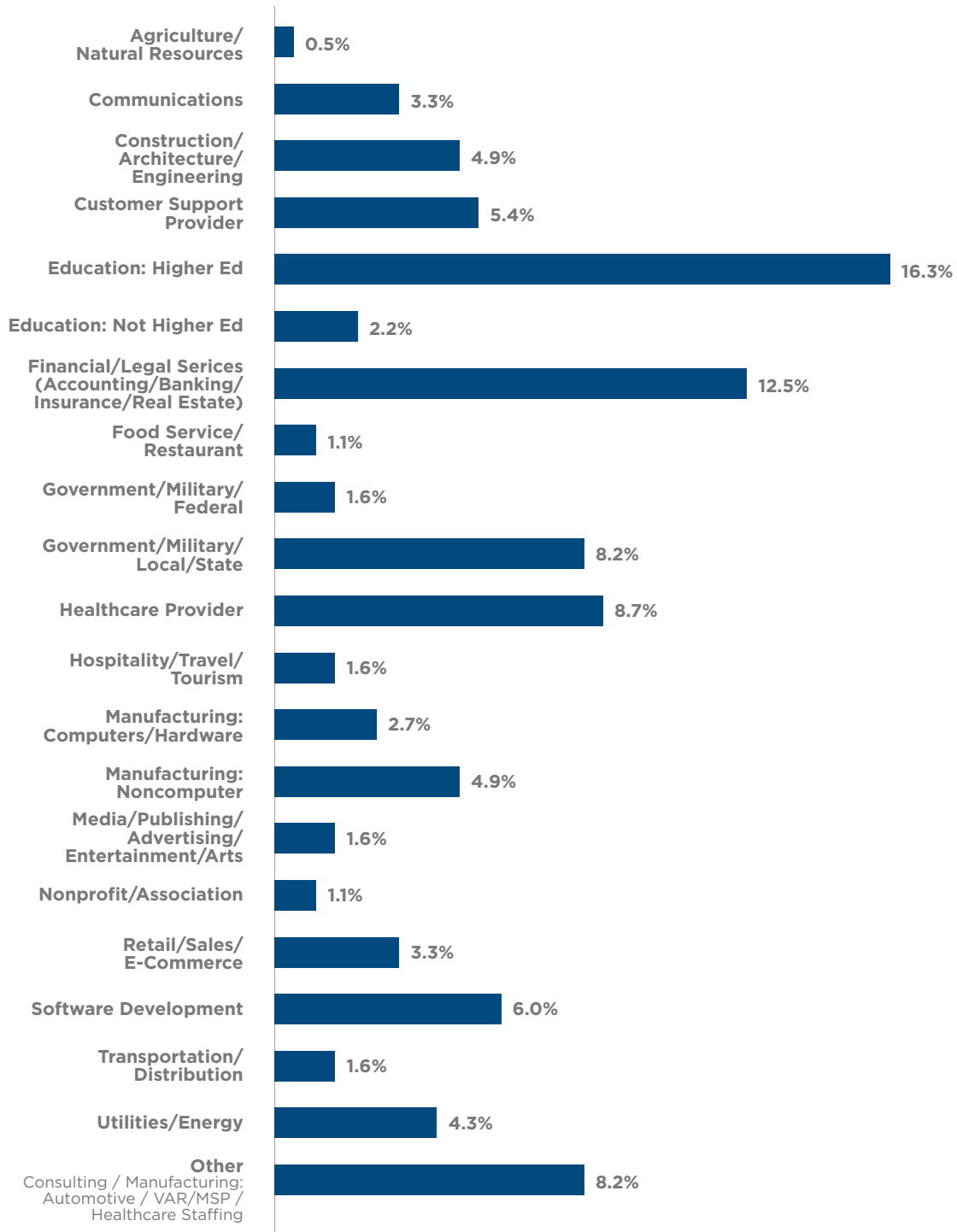
## Demographics

- The largest single segment is higher education
- Most respondents support multiple sites in a single country
- One-third of respondents are from companies with 1,000-4,999 employees

**Figure 27: Number of Employees in the Company/Organization (Not Just IT)**



**Figure 28: Industries Represented**



## About HDI

In 1989, HDI became the first professional association created for the technical support industry. Since then, HDI has remained the source for professional development by offering resources to promote organization-wide success through exceptional customer service. We do this by:

- Facilitating collaboration and networking
- Hosting acclaimed conferences and events
- Producing renowned publications and research
- Certifying and training thousands of professionals each year

Our mission is to elevate the customer experience through the development of the technical support industry.

## About Atlassian

Atlassian unleashes the potential in every team. Our collaboration software helps teams organize, discuss and complete shared work. Teams at more than 85,000 large and small organizations - including Citigroup, eBay, Coca-Cola, Visa, BMW and NASA - use Atlassian's project tracking, content creation and sharing, real-time communication and service management products to work better together and deliver quality results on time. Learn more about products including JIRA Software, Confluence, HipChat, Trello, Bitbucket and JIRA Service Desk at <https://atlassian.com>.

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