



Smarter Service. **Better Business.**

THE STATE OF SERVICE MANAGEMENT IN 2021

An HDI Practices & Salary Presentation

ABOUT THE STUDY

This report, focusing on the state of service management in 2021, provides service management and technical support leaders with the essential insights and knowledge needed to make data-based decisions that will ultimately improve the services and support provided by their organizations and help them advance in their careers. It illustrates current practices, processes, solutions, and strategies related to service management and enterprise service management.

All survey responses were collected via a web-based survey from May-June 2021. This report compiles the responses from 336 service management and technical support professionals in more than 20 vertical industries. Nearly two-thirds of respondents are at the director-level or above (62%); 28% are either managers or specialist managers (knowledge, project, change, etc.). Just over two-thirds (68%) of the respondents are aligned with service management; 46% with both the service desk and service management; 35% with the service desk, desktop support, and service management; and 10% are exclusively affiliated with service management.



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HDI, "The State of Service Management in 2021," www.thinkhdi.com.

KEY FINDINGS

- For the purposes of this study, we solicited feedback on three roles within service management: ITSM Process Owner/Manager, ITSM Service Delivery Manager, and Business Relationship Manager. Eighty-five percent of respondents' organizations staff at least one of these roles.
- Two-thirds of service management specialists have tenure of five years or more in their roles.
- Filling dedicated service management roles can be challenging. Less than one-quarter of respondents report having no difficulty at all filling roles, but two out of five respondents struggle.
- Salaries for service management roles lag behind salaries for general technical support roles, based on comparison against salaries reported in Robert Half's 2021 Technology Salary Guide (US only). ITSM Process Owners/Managers average \$111,790 a year; ITSM Service Delivery Managers, \$91,777; and Business Relationship Managers, \$99,444.
- The value of service management is linked to an increase in customer satisfaction (52%), an increase in successful changes (45%), and a decrease in incident volume (40%). For 7% of respondents' organizations, the value of service management is taken for granted – it's simply the price of doing business.

KEY FINDINGS (cont'd)

- Eight out of ten respondents' organizations are currently using a service management solution, though nearly a quarter are in the process of replacing their existing solutions. Those who are replacing their current solutions are doing so with an eye toward improving the user/customer experience (40%), accommodating changes to their service delivery model (33%) or business model (30%), or upgrading an end-of-lifecycle solution (33%).
- Fifty-five percent of respondents' organizations are using SaaS solutions; 42% are running on-premises solutions. Just over one-third are operating PaaS in the cloud, and 17% are hosting a licensed solution in their organization's cloud.
- These days, many service management solutions are capable of being applied to non-IT business areas, such as HR, finance, facilities, etc. This is the case for most respondents to this study; 88% report that their organizations' solutions can be used in non-IT areas, and 61% report that their organizations are using their solutions in this way (with a further 32% planning to do so). Just 6% have no plans to leverage this capability.
- Fifty-two percent of respondents report that their organizations are using the principles and practices of ITSM outside of the IT department; 91% of respondents report that their organizations have a defined strategy or approach for using ITSM practices/capabilities outside of the IT department.

KEY FINDINGS (cont'd)

- As a business strategy, the expansion of ITSM practices and capabilities beyond the IT department goes by many names: IT service management (63%), enterprise service management (40%), digital transformation (39%), service management (39%), and/or digital workflow enablement (17%). For the purposes of this report, we refer to this strategy as *enterprise service management (ESM)*.
- By and large, ESM is being championed by leaders at the top of the organizational chart. CTOs (56%) and CIOs (48%) are leading the charge, followed distantly by service desk managers (29%) and even more distantly by dedicated practice/process managers (9%).
- Seventy percent of respondents report that ESM has required IT to expand its scope of services/support, and in 52% of respondents' organizations, IT is required to support the tools other business areas uses for service management. For 38%, this additional responsibility has come with additional funding, while for 29% of respondents it's also come with more visibility for IT and a recognition of the value IT provides to the business.
- Nearly all survey respondents (98%) include employees in the process of determining how service management practices/capabilities will be applied in the areas they work in; 68% involve employees in developing the plan and program, and 57% solicit feedback from employees before, during, and after the expansion.

STAFFING, SKILLS & SALARIES

Service Management Roles

For the purposes of this study, we solicited feedback on three roles within service management (percentage of organizations that staff these roles in parenthesis):

- ITSM Process Owner/Manager (72%)
- ITSM Service Delivery Manager (53%)
- Business Relationship Manager (34%)



An **ITSM Process Owner/Manager** is a specialist manager and subject matter expert responsible for enforcing compliance, monitoring, measuring, and continually improving one or more process/practice areas. This individual provides guidance to service desk and service management staff who execute day-to-day process and support activities.

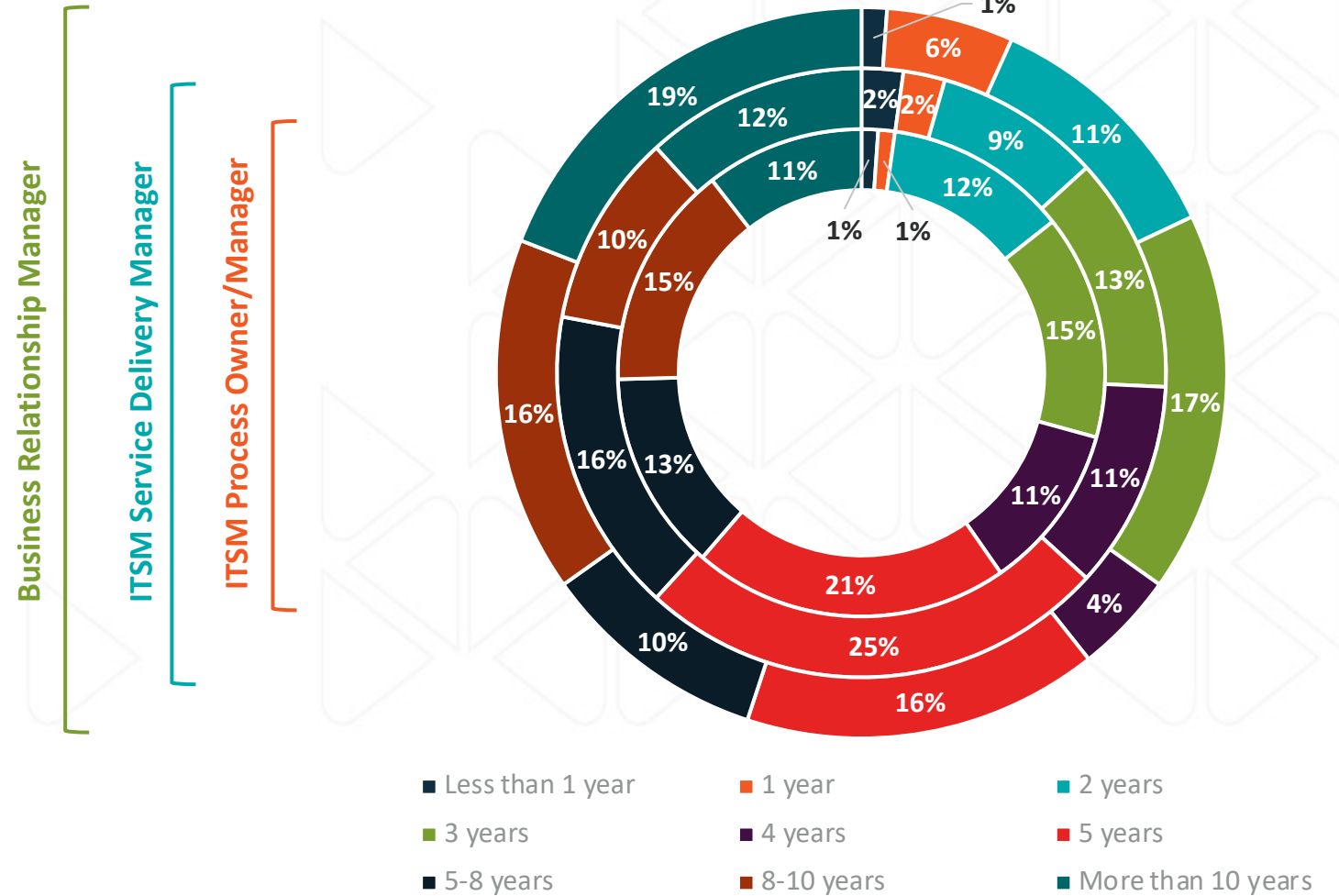
An **ITSM Service Delivery Manager** is a specialist manager responsible for ensuring service management processes are in place to meet the business's needs. This role is often stakeholder-facing, and it requires skill at setting and delivering on expectations.

A **Business Relationship Manager** is a strategic specialist responsible for seeing the big picture, understanding the business (mission, vision, goals), helping to prioritize projects and initiatives to maximize return on investment, and ensuring that the organization's IT and service management strategies support the business's overall strategy.

Tenure by Role

Within the wider technical support community, managers and specialist managers tend to have high tenure; in our 2020 community interest survey, 92% of manager and specialist manager respondents reported average tenures of more than five years.

For specialist roles in service management, one-third have four years of tenure or less. On average, however, these are long-term, high-tenure positions.



Percentage of respondents

Filling Roles

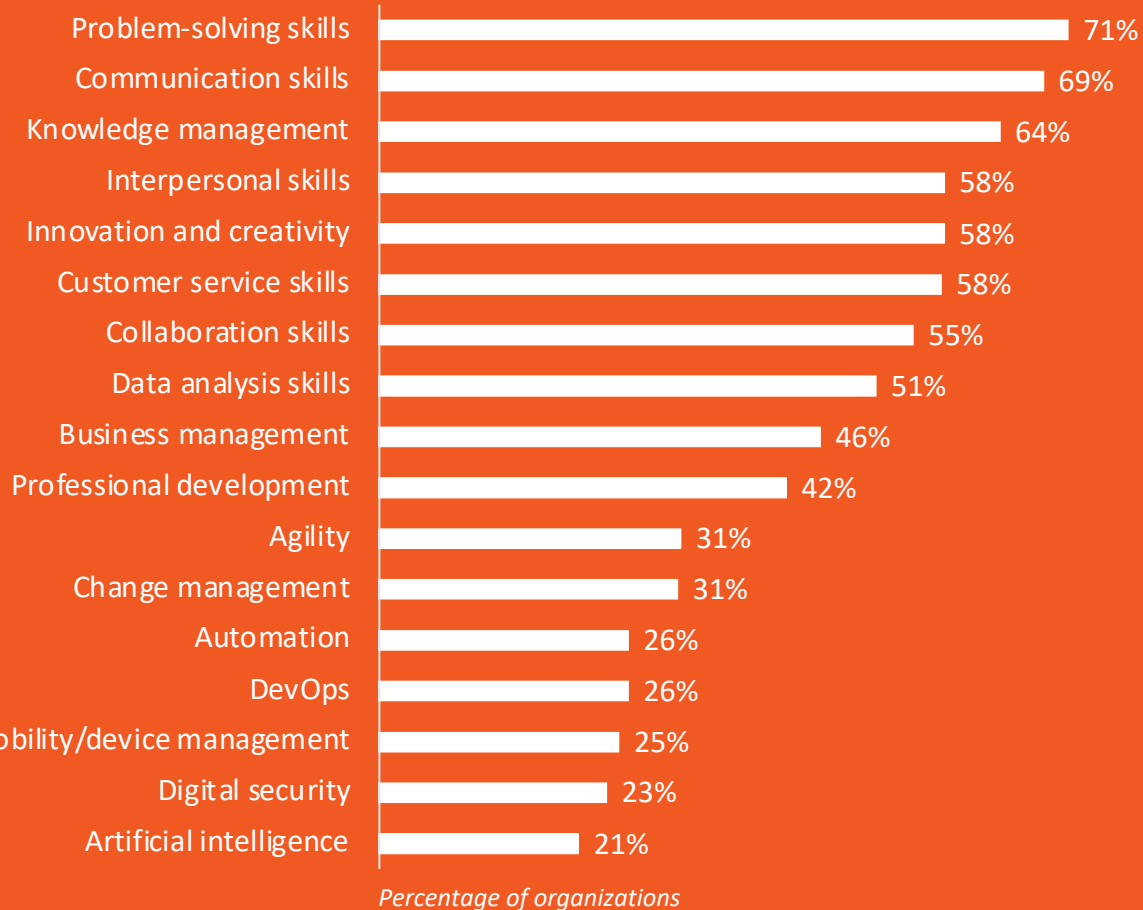
Filling dedicated service management roles can be challenging. Less than one-quarter of respondents report having no difficulty at all filling roles, but two out of five respondents struggle.

Why is that?



Skill Profile by Role

Sought-After Skills, Overall



ITSM Process Owner/Manager

1. Problem-solving skills
2. Communication skills
3. Knowledge management
4. Innovation and creativity
5. Interpersonal skills
6. Collaboration skills
7. Data analysis skills
8. Customer service skills
9. Business management
10. Professional development

ITSM Service Delivery Manager

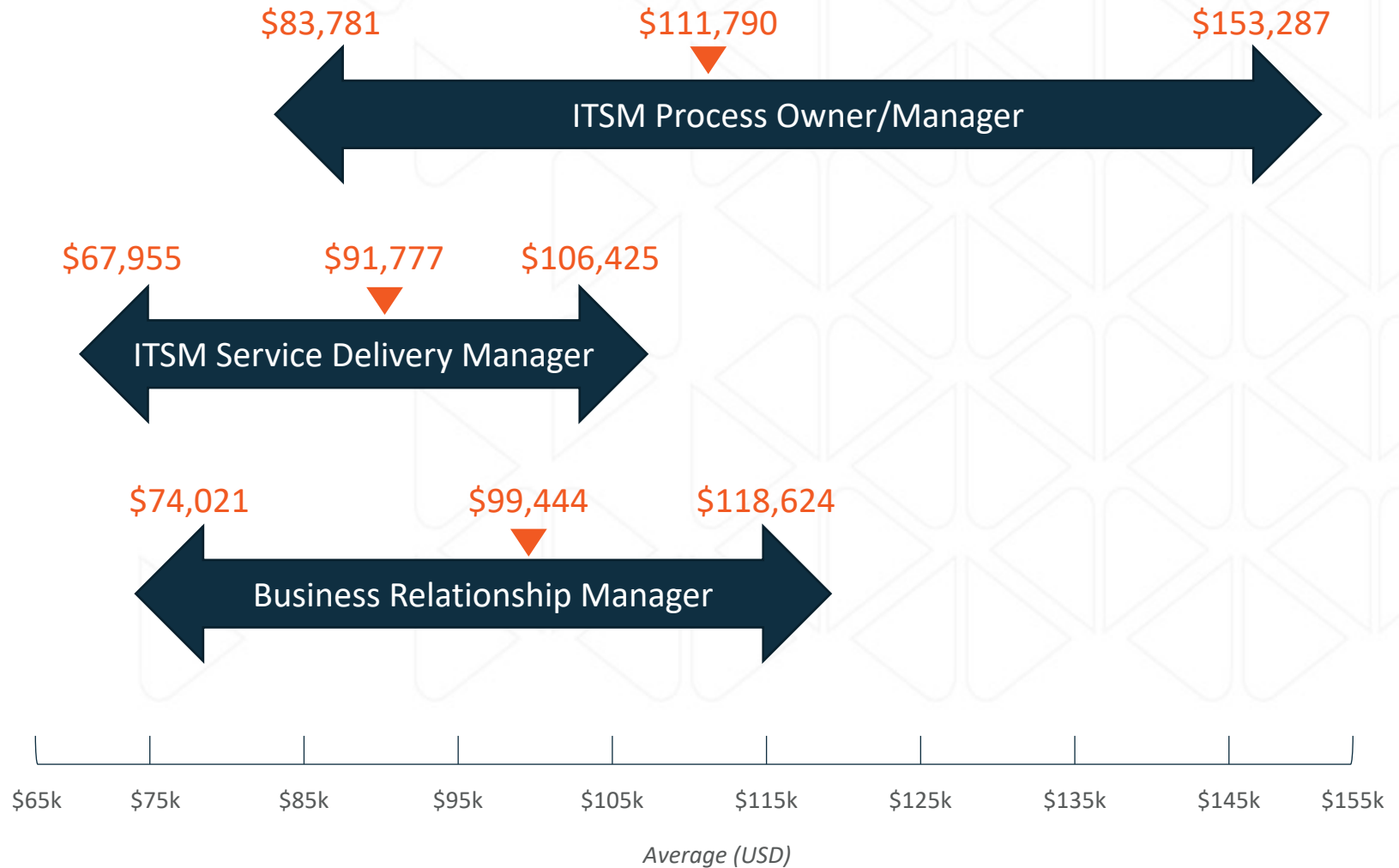
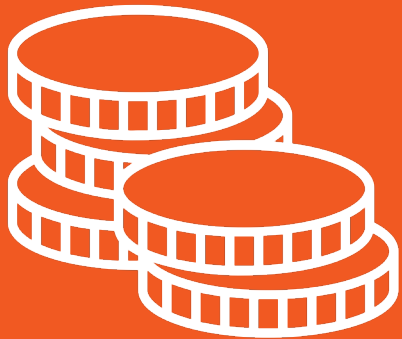
1. Communication skills
2. Knowledge management
3. Problem-solving skills
4. Interpersonal skills
5. Innovation and creativity
6. Customer service skills
7. Collaboration skills
8. Data analysis skills
9. Business management
10. Professional development

Business Relationship Manager

1. Communication skills
2. Problem-solving skills
3. Knowledge management
4. Collaboration skills
5. Interpersonal skills
6. Innovation and creativity
7. Customer service skills
8. Data analysis skills
9. Business management
10. Professional development

Salary by Role

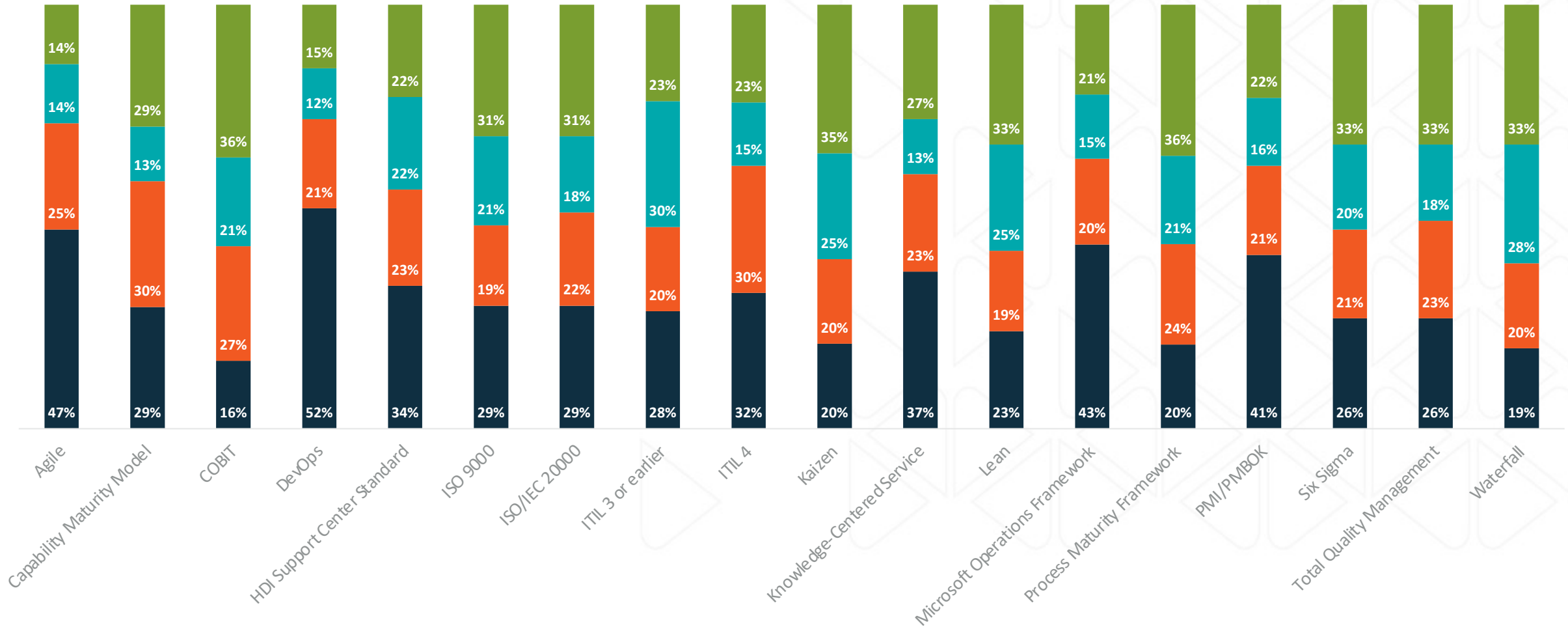
Average salaries for service management roles lag behind salaries for general technical support roles. As reported in Robert Half's 2021 Technology Salary Guide, technical support and operations managers average \$111,500 on the low end and \$190,750 on the high end (USD).



PROCESSES & PRACTICES



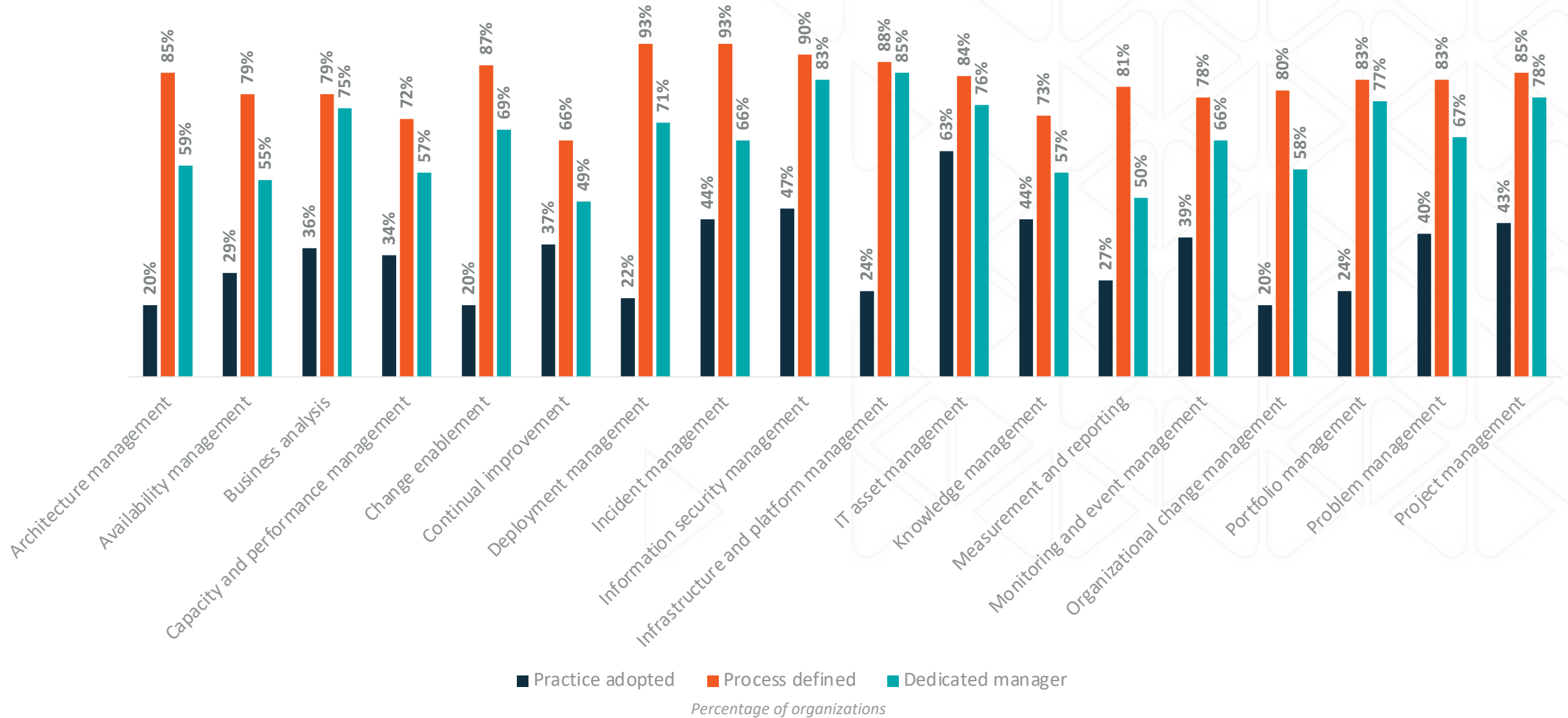
Methodologies, Frameworks & Standards



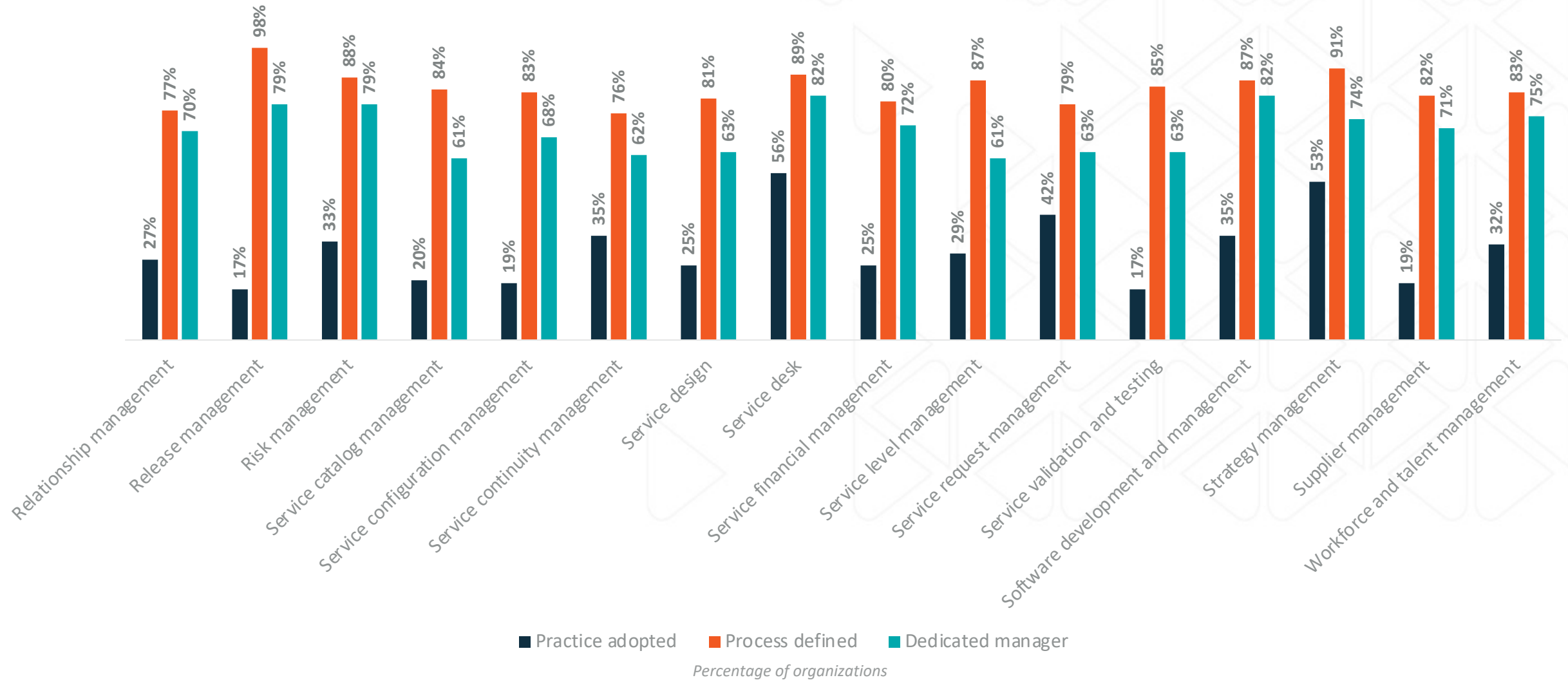
Currently use
 Planning to use
 Have used in the past
 Haven't used and don't plan to use

Percentage of organizations

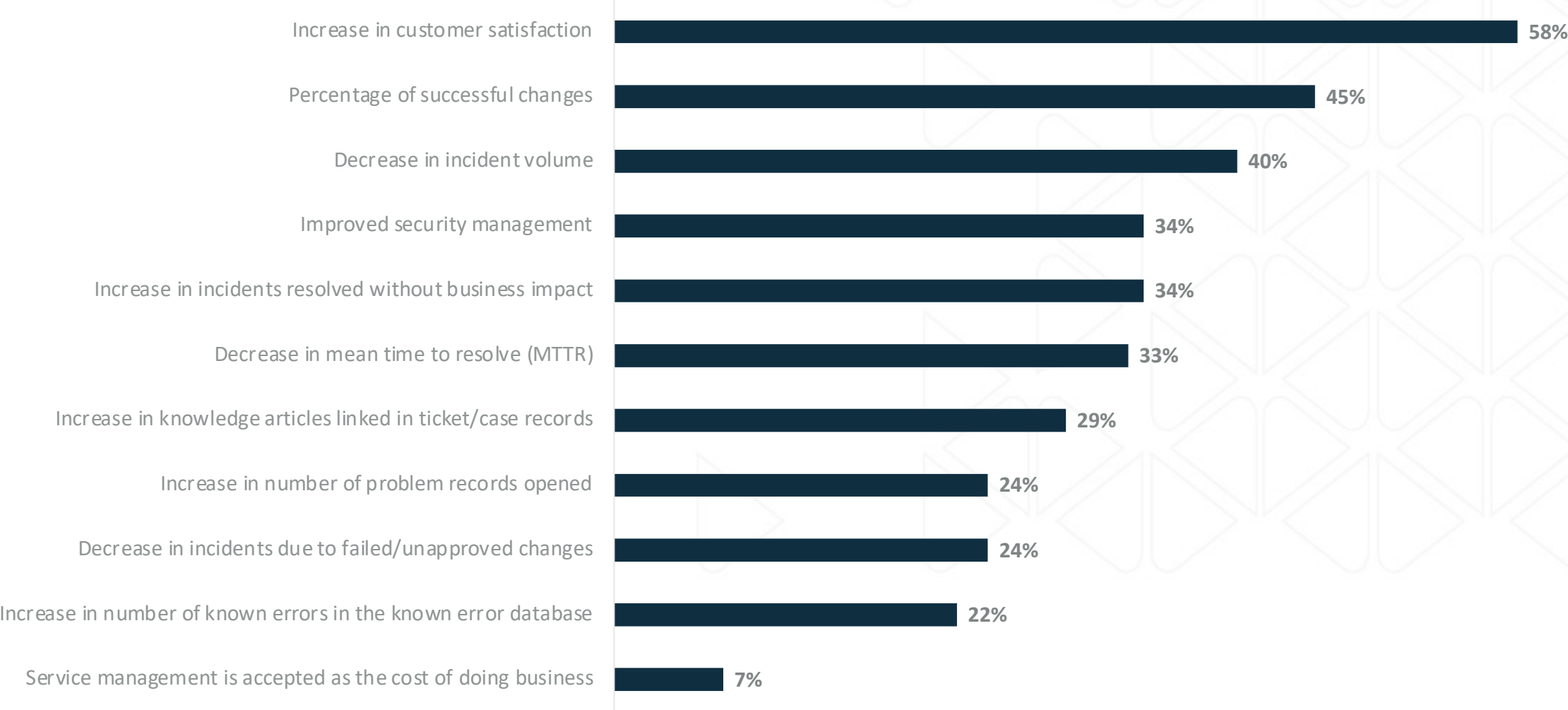
Service Management Practices (A-P)



Service Management Practices (R-Z)



Measuring the Value of Service Management



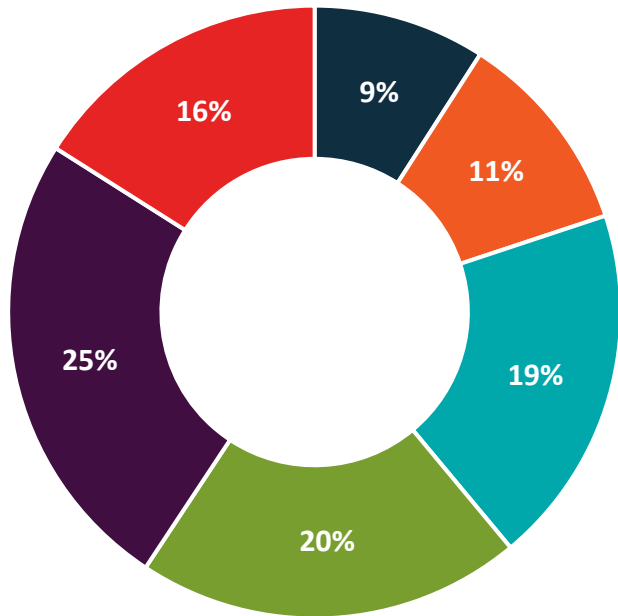
Percentage of organizations

TECHNOLOGY



Budget and Solution/Framework Alignment

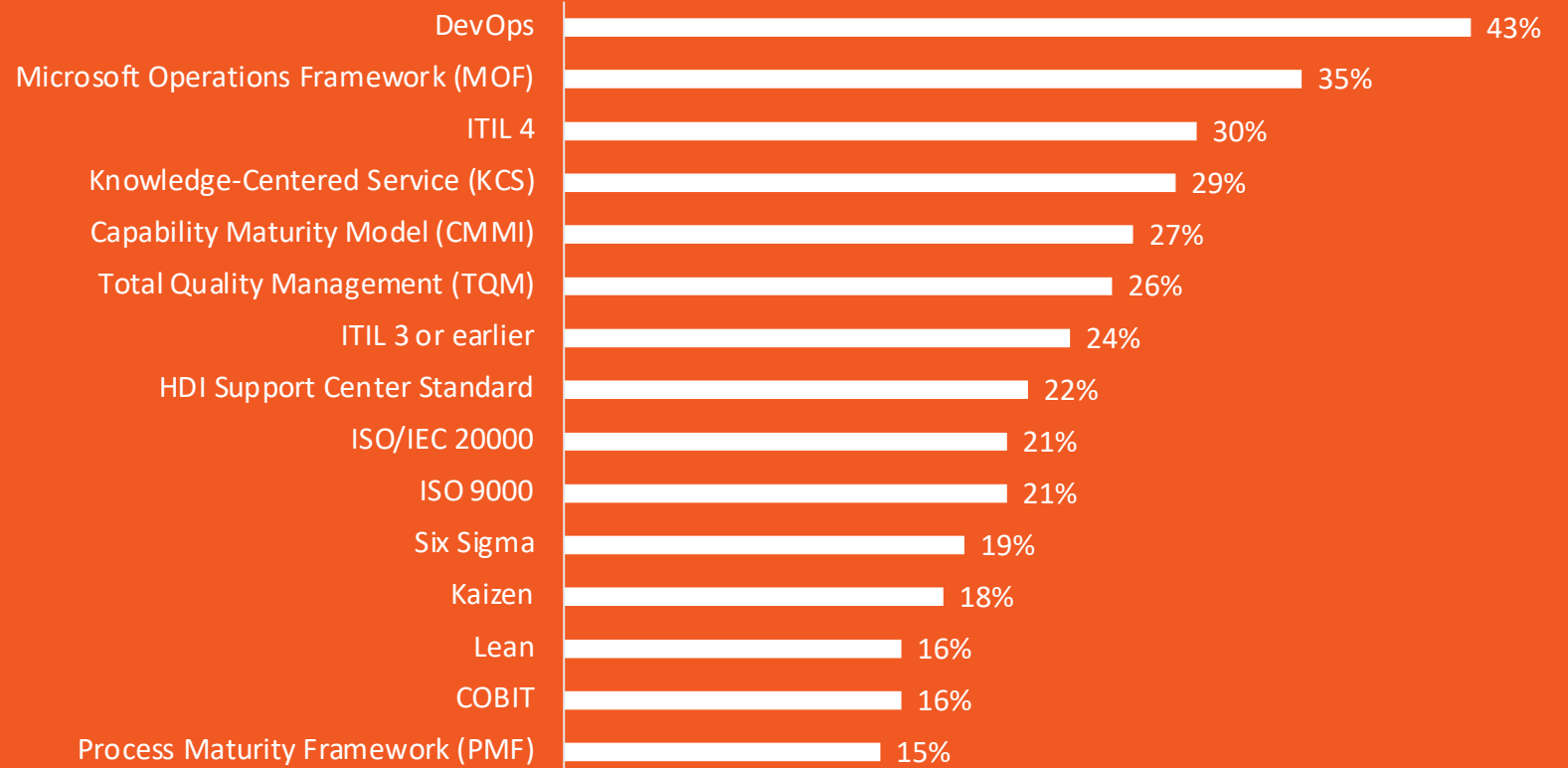
Annual Budget



■ Less than \$500k ■ \$500k - \$1M
■ \$1M - \$2.5M ■ \$2.5M - \$5M
■ \$5M - \$10M ■ More than \$10M

Percentage of organizations

Desired Framework/Methodology Alignment When Acquiring New Tools and Solutions

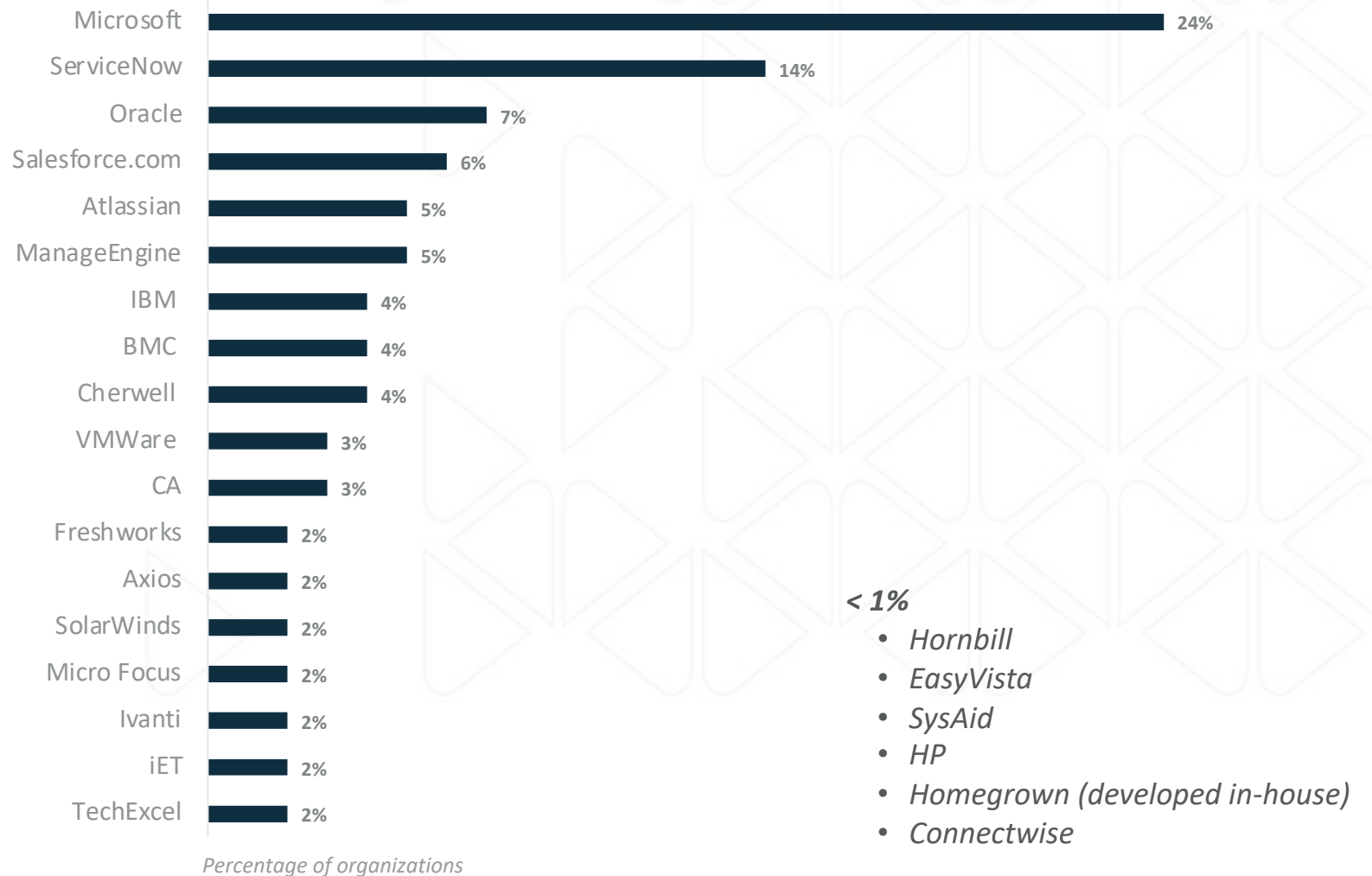


Percentage of organizations

Service Management Solutions

Eight out of ten respondents' organizations are currently using a service management solution, though nearly a quarter are in the process of replacing their existing solutions. Those who are replacing their current solutions are doing so with an eye toward improving the user/customer experience (40%), accommodating changes to their service delivery model (33%) or business model (30%), or upgrading an end-of-lifecycle solution (33%).

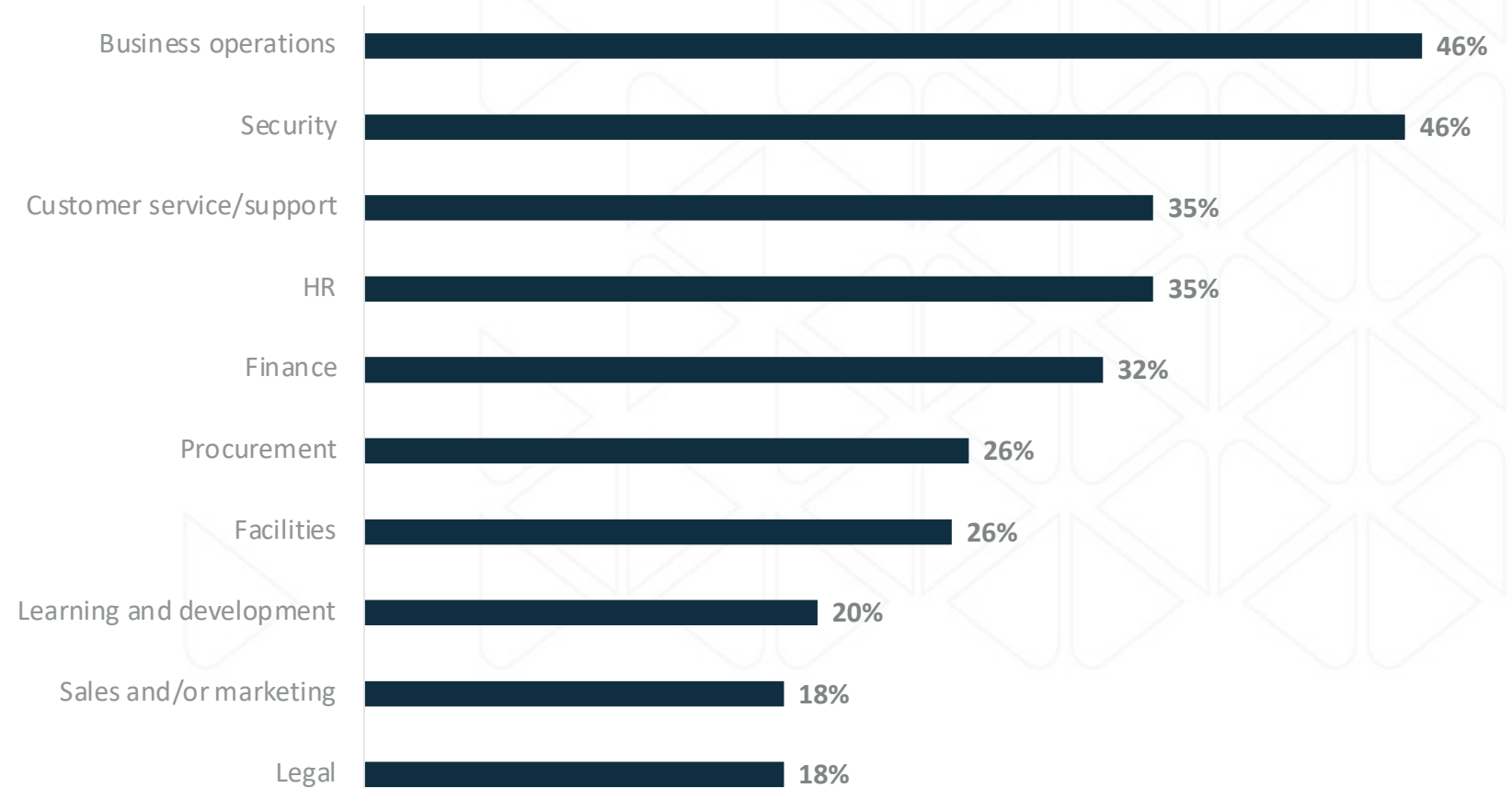
Fifty-five percent of respondents' organizations are using SaaS solutions; 42% are running on-premises solutions. Just over one-third are operating PaaS in the cloud, and 17% are hosting a licensed solution in their organization's cloud.



Solution Capabilities & Applications

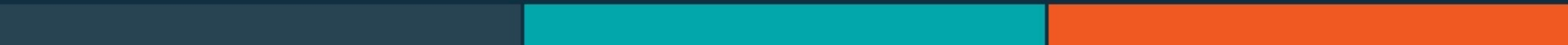
These days, many service management solutions are capable of being applied to non-IT business areas, such as HR, finance, facilities, etc. This is the case for most respondents to this study; 88% report that their organizations' solutions *can* be used in non-IT areas, and 61% report that their organizations *are* using their solutions in this way (with a further 32% planning to do so). Just 6% have no plans to leverage this capability.

Business Area Targets for Service Management Solutions



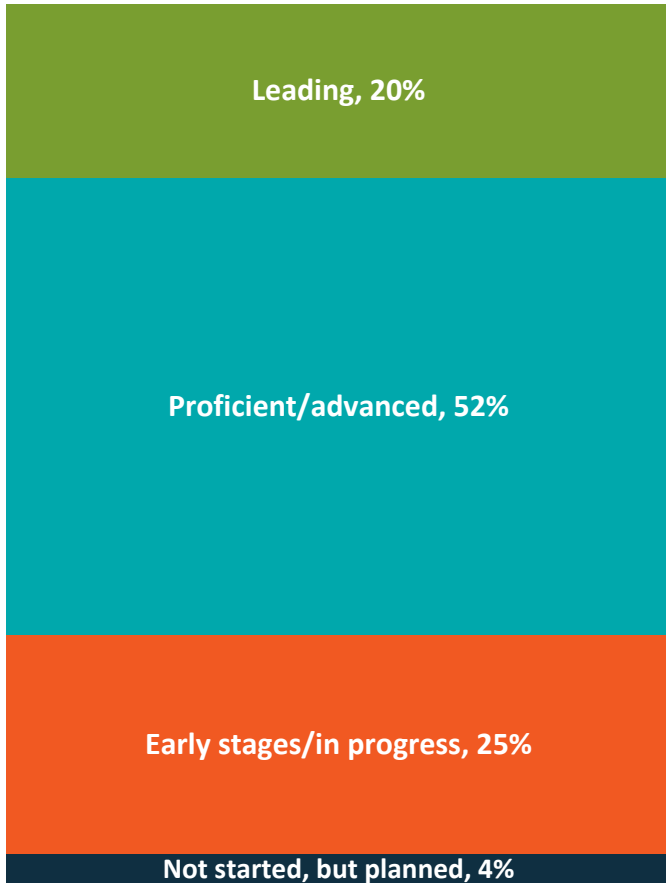
Percentage of organizations

STRATEGY



Maturity & Objectives of ITSM

Overall ITSM Maturity



Core Objectives Driving Interest in ITSM



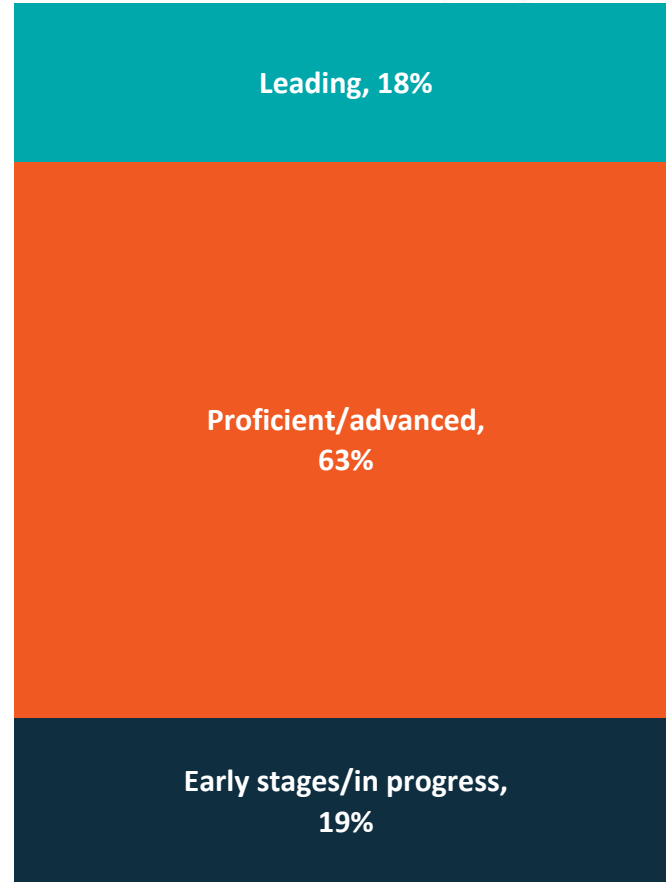
Percentage of organizations

Strategic Expansion of ITSM

52%

of respondents report that their organizations are using the principles and practices of ITSM outside of the IT department

Maturity with Expanding ITSM



91%

of respondents report that their organizations have a defined strategy or approach for using ITSM practices/capabilities outside of the IT department

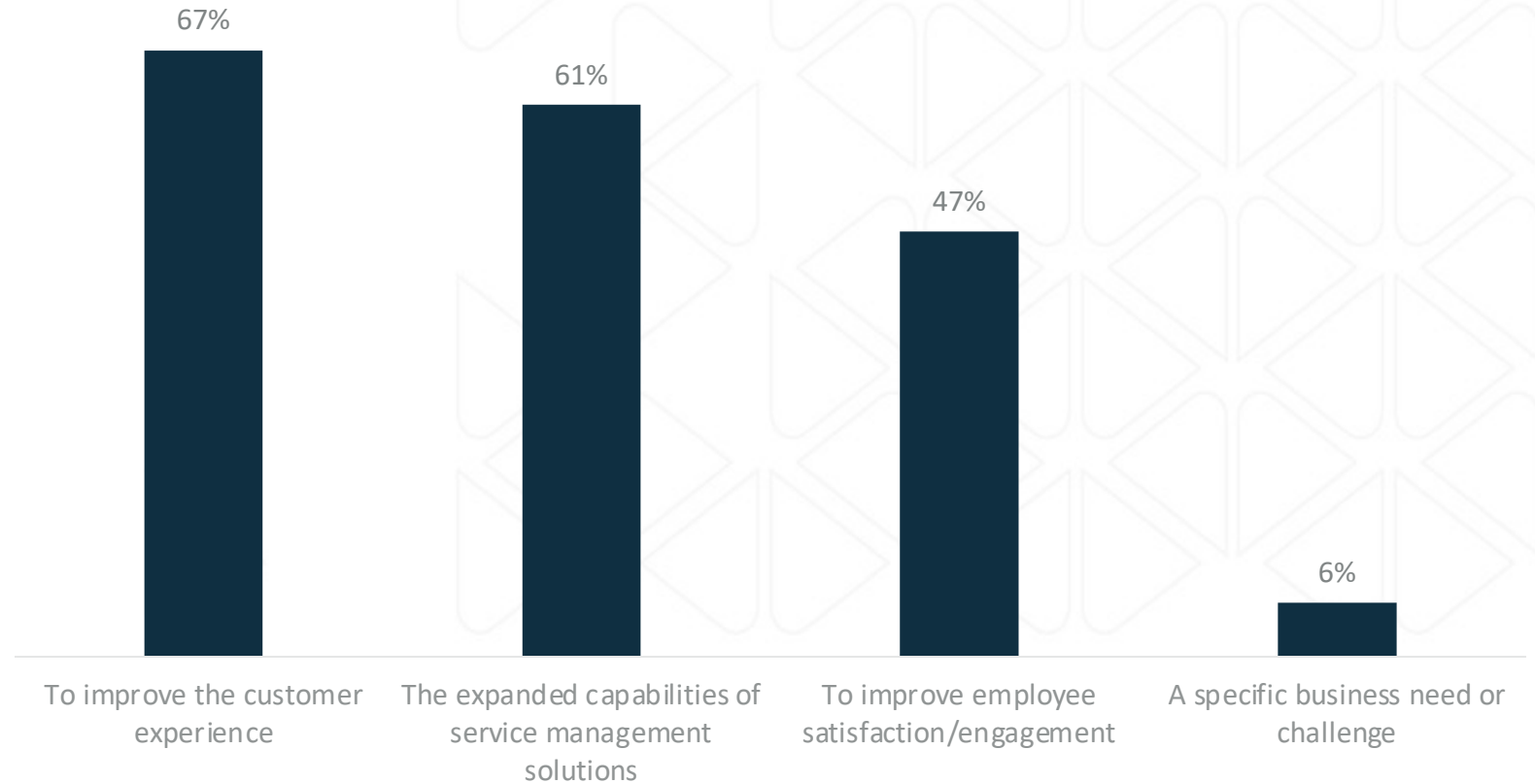
Definition & Drivers

As a business strategy, the expansion of ITSM practices and capabilities beyond the IT department goes by many names:

- IT service management (63%)
- Enterprise service management (40%)
- Digital transformation (39%)
- Service management (39%)
- Digital workflow enablement (17%)

For the remainder of this report, we'll refer to this strategy as *enterprise service management*.

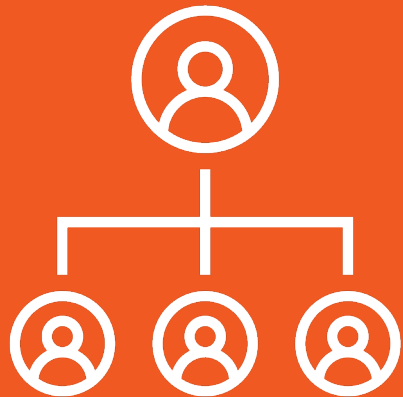
ESM Drivers



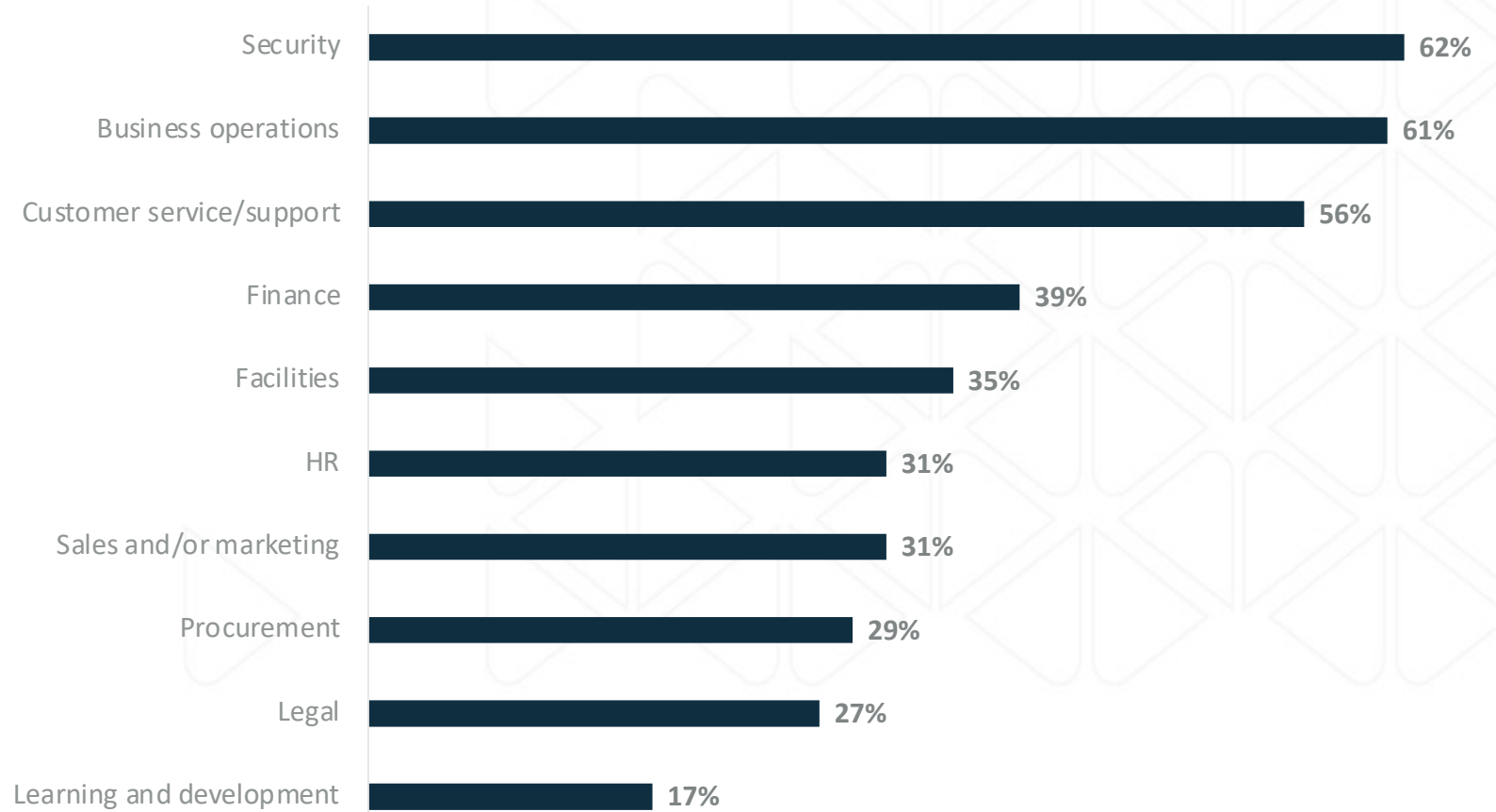
Percentage of organizations

Targets & Champions

By and large, ESM is being championed by leaders at the top of the organizational chart. CTOs (56%) and CIOs (48%) are leading the charge, followed distantly by service desk managers (29%) and even more distantly by dedicated practice/process managers (9%).



Business Areas Targeted for ESM

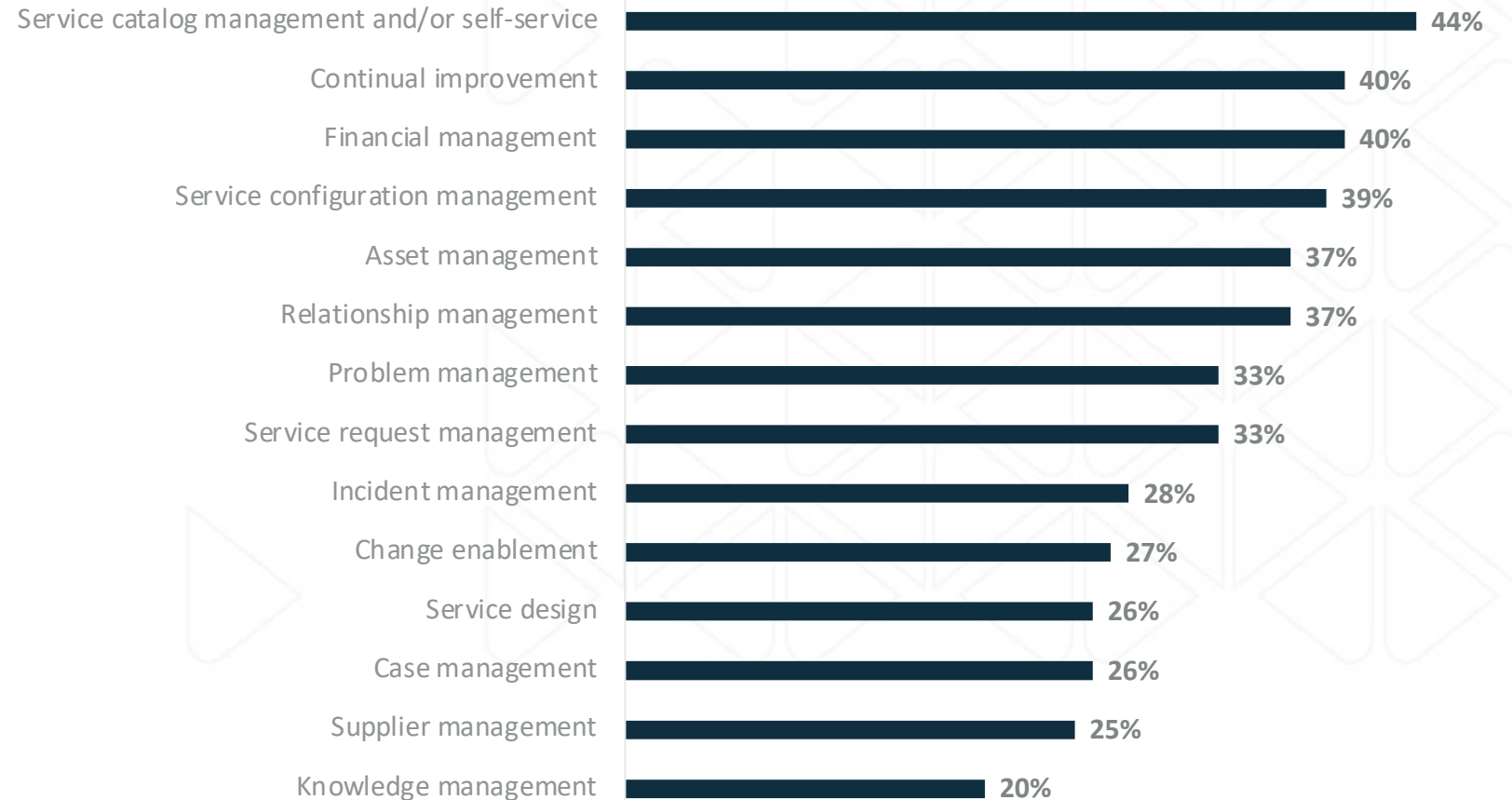


Percentage of organizations

Practices, Capabilities & Impact

The impacts of ESM on IT can be significant. Seventy percent of respondents report that ESM has required IT to expand its scope of services/support, and in 52% of respondents' organizations, IT is required to support the tools other business areas uses for service management. For 38%, this additional responsibility has come with additional funding, while for 29% it's also come with more visibility for IT and a recognition of the value IT provides to the business.

Practices and Capabilities Prioritized for ESM

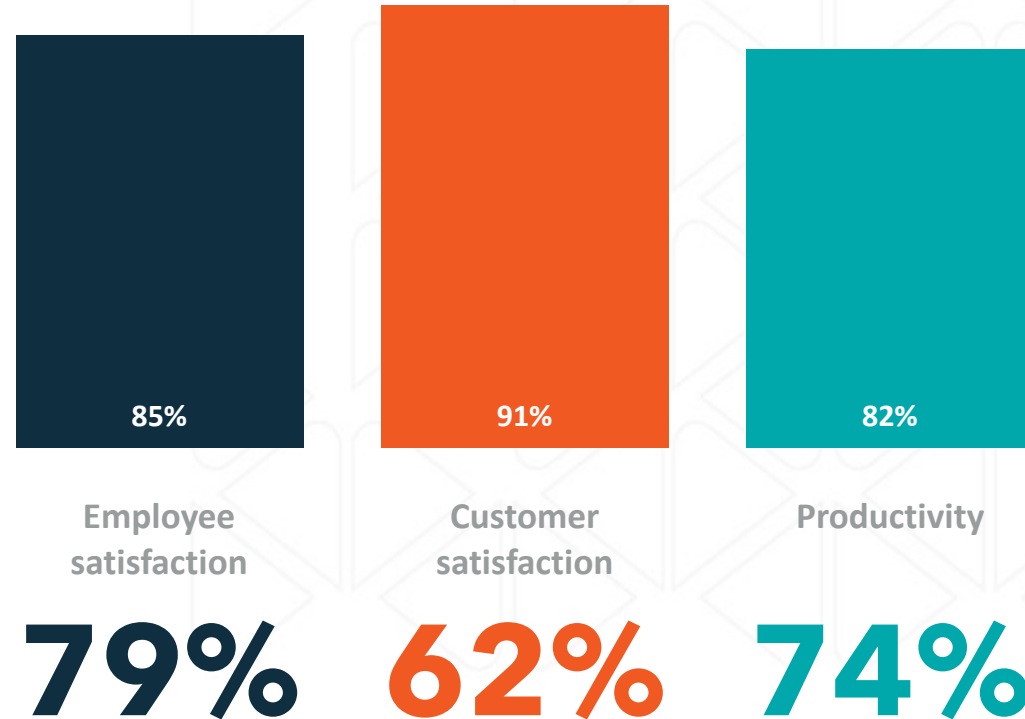


Percentage of organizations

Engagement, Satisfaction & Productivity

Nearly all survey respondents (98%) include employees in the process of determining how service management practices/capabilities will be applied in the areas they work in; 68% involve employees in developing the plan and program, and 57% solicit feedback from employees before, during, and after the expansion. Crucially, the majority (84%) provide service management training to non-IT staff, improving the likelihood that their input and feedback will be informed and relevant.

Measuring Satisfaction and Productivity

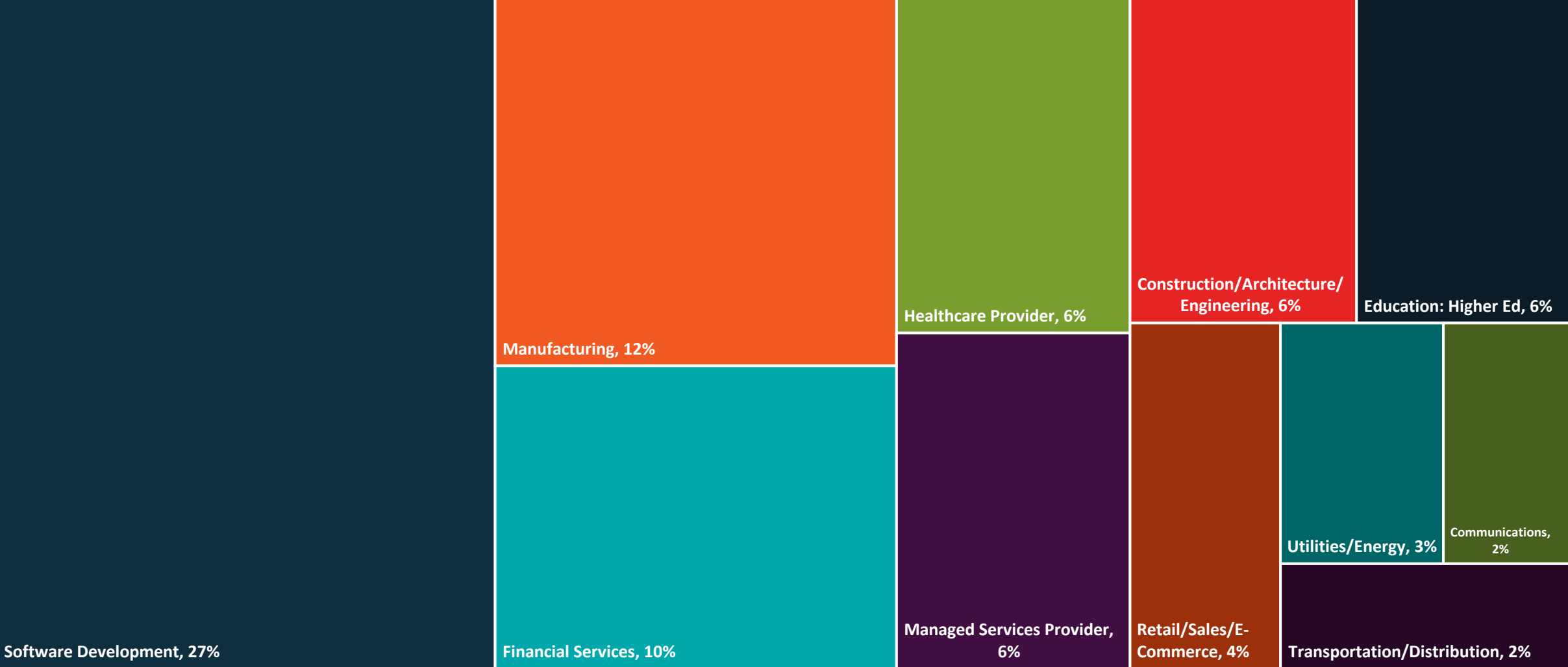


Improvement After ESM

Percentage of organizations

DEMOGRAPHICS

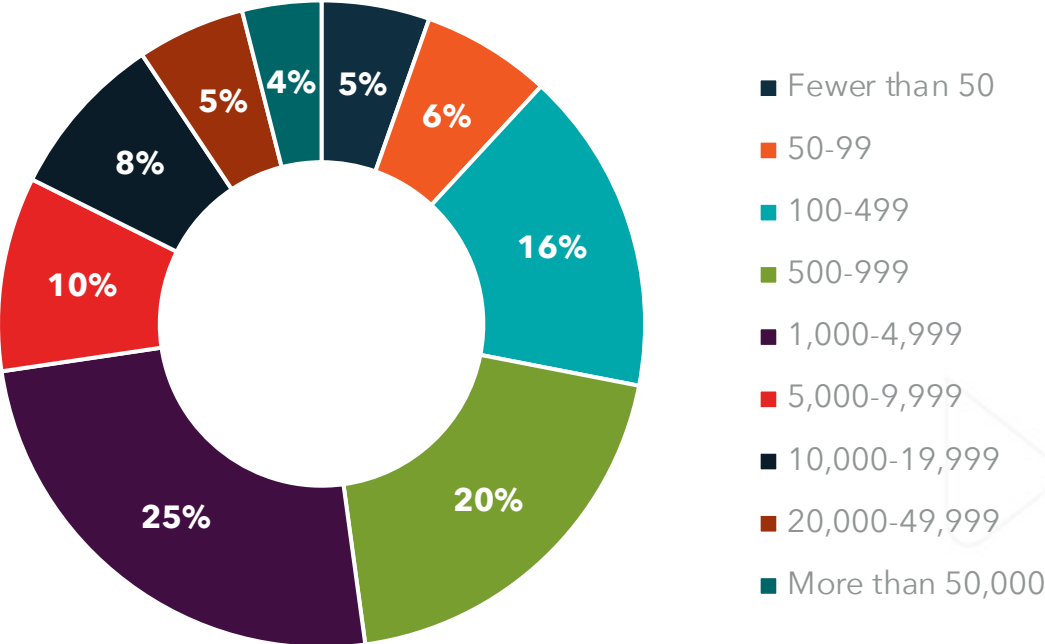
Industries Represented



<2% from government, K-12 education, media/entertainment, nonprofit/association, and food service.

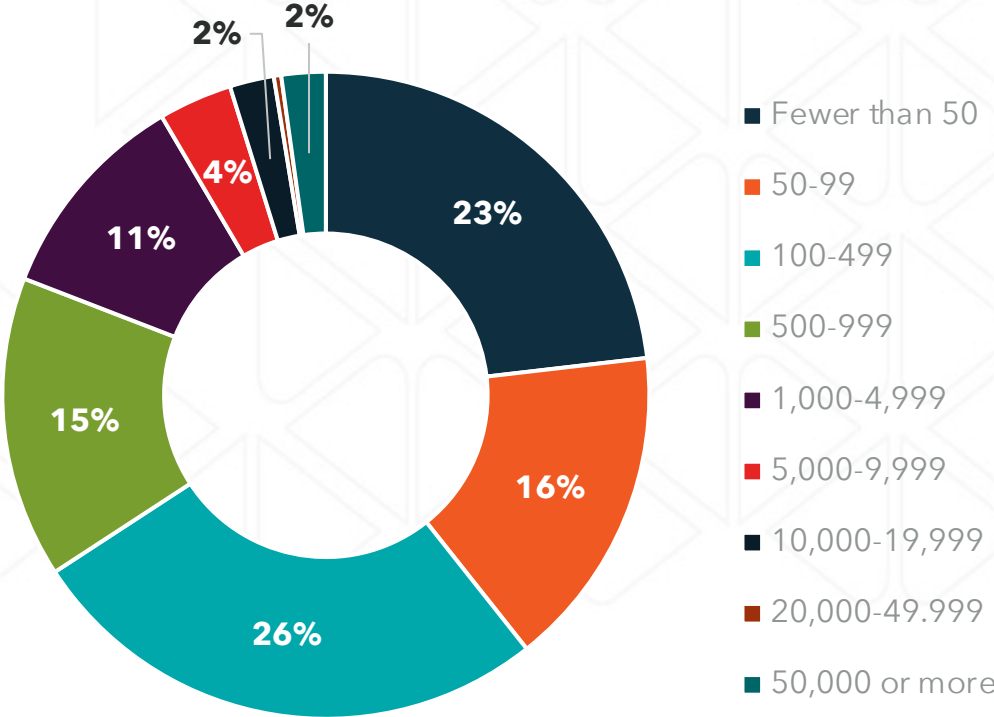
Company & Support Organization Size

Company Size, by Number of Employees



Percentage of organizations

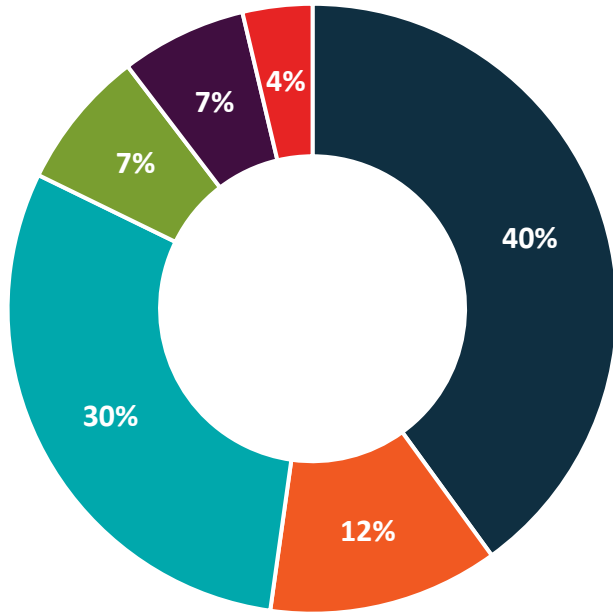
Support Organization Size, by Number of Employees



Percentage of organizations

Role & Function

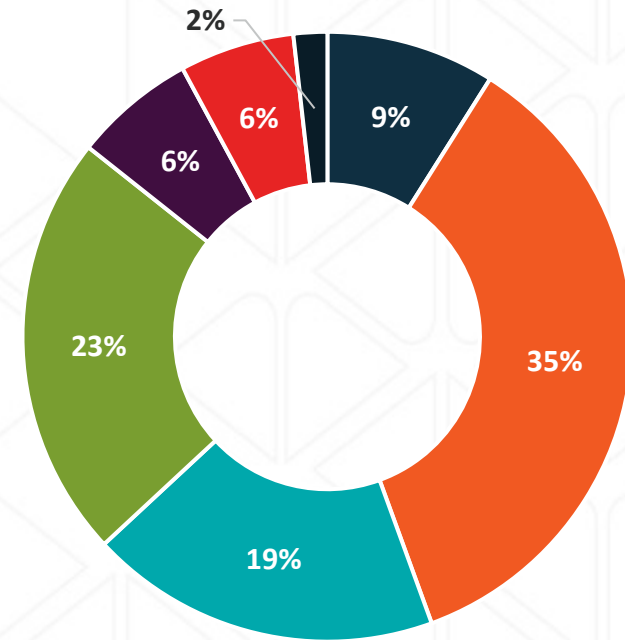
Role



Percentage of respondents

- Practitioner: Internal service/support
- Practitioner: External service/support
- Practitioner: Blended service and support
- Consultant
- Outsourced or managed service provider
- Vendor/solution provider

Function

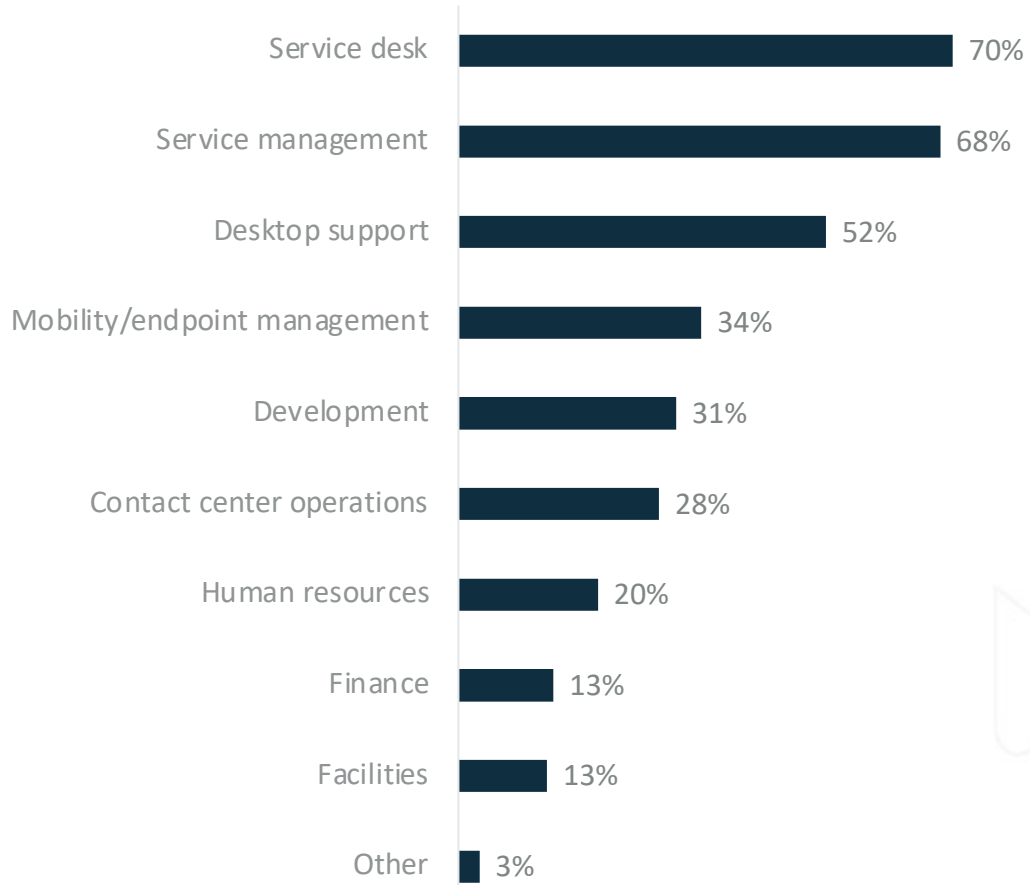


Percentage of respondents

- Non-IT executive management
- IT/technical executive management
- Senior management (VP, director)
- Mid-level management (manager)
- Specialist management (knowledge, project, problem, etc.)
- Supervisor/team lead
- Customer support

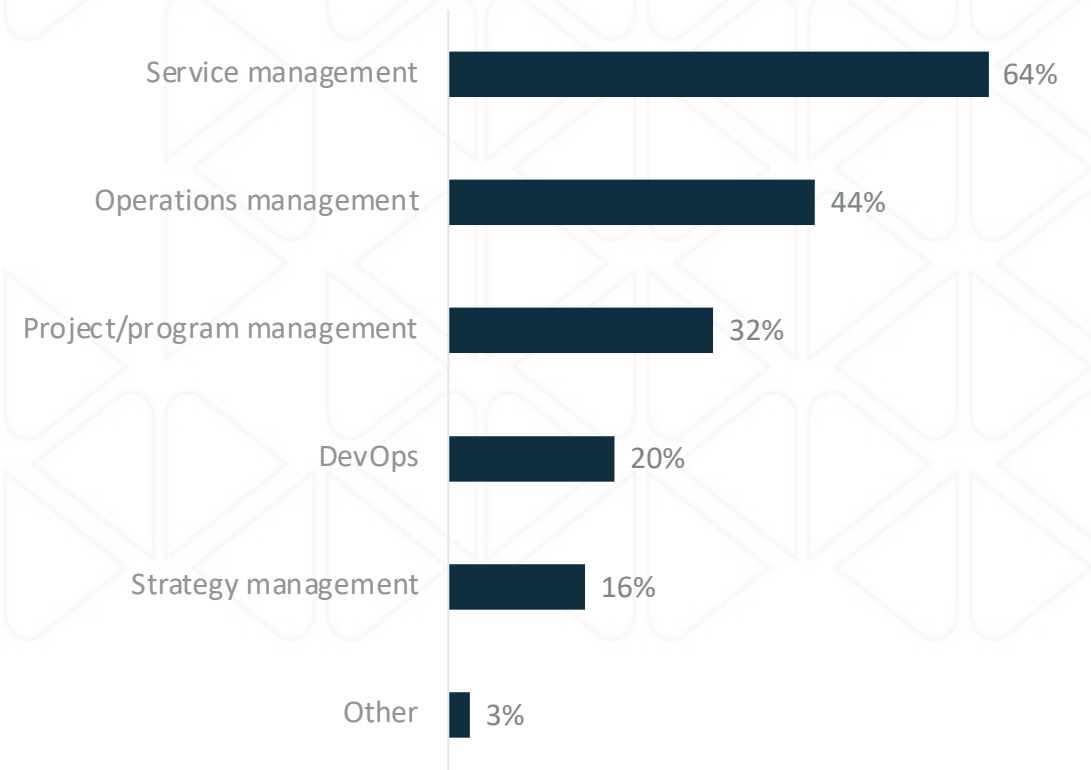
Area & Focus

Business Area



Percentage of respondents

Primary Focus for Service Management, Service Desk, and Development Business Areas



Percentage of respondents

ABOUT HDI

For over 30 years, HDI has partnered with thousands of organizations to improve their customer service and service management performance by educating their people, elevating their processes, and empowering their strategy. From C-level professionals to directors, managers, and frontline staff, HDI is the definitive source of industry information, leadership, and performance planning. Through events, certification and training, consulting, community, and industry resources, HDI aims to transform service and support organizations and reimagine their approach to delivering exceptional service and value. Learn more at [ThinkHDI.com](https://www.thinkhdi.com).

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