

Automation, AI, and the Rise of ServiceOps

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Digital Service Execution



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The ServiceOps premise

A working definition

ServiceOps is a smart way for IT service and IT operations teams to work together to deliver and maintain excellence in IT service. Enabled by technologies such as automation and AI, ServiceOps is a vendor-neutral approach to IT management that cuts waste and cost, increases IT personnel productivity and efficiency, and improves IT service quality, as well as the experience of its users.

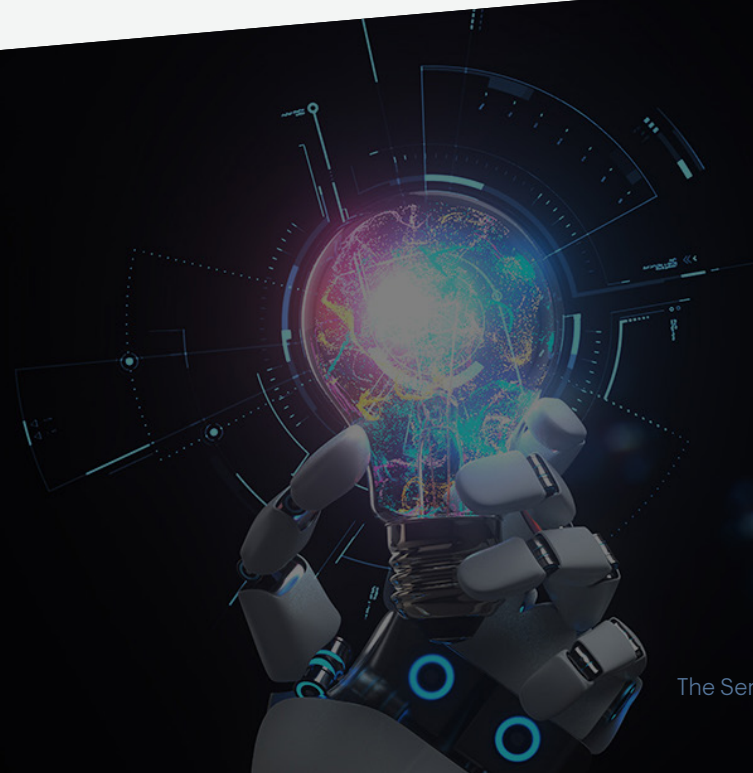
Frequently starting as a grassroots movement, ServiceOps is on the rise because it makes sense to the people who are doing the work.

At the same time that it recognizes and respects the differences each team has in charter, scope, and necessary skillsets, ServiceOps facilitates their interaction with shared objectives, data, workspaces, processes, and automated workflows. Because it is not a product, a technology, or even a methodology, the name itself doesn't matter, but the term "ServiceOps" is practical and easy to understand.

ServiceOps is a technology-enabled approach to unifying IT service and IT operations management for excellence in delivery of digital business services

ServiceOps is:

- People-centric, technology-enabled, and management-supported
- Successful at improving IT service, employee productivity, and cutting costs
- Rapidly growing in adoption



Research overview

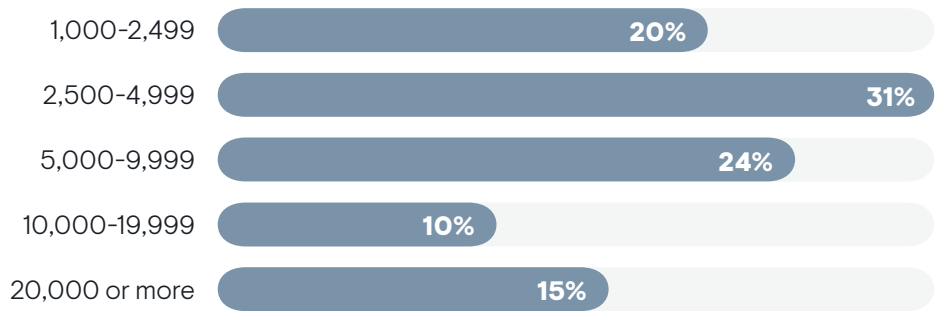
AI service automation 2022

EMA first encountered the ServiceOps concept in conversations with IT practitioners. The idea was simple: life is too short and IT is too complicated to have duplicate efforts and friction between functions that should be on the same team.

EMA’s first research into the topic was in March 2022. Titled “AI service automation: ITSM and ITOps convergence,” it empaneled 400+ global IT leaders and concluded:

ServiceOps will soon become the prevailing IT operational model. It is the logical product of business sense and technology combined because AIOps, automation, and AI/ML enable, and can shape, a converged model of IT service delivery and support.

Research panel distribution by company size/number of employees



The rise of ServiceOps 2023

Whereas the research of 2022 backed into the notion of ServiceOps – largely avoiding the term, instead focusing on areas of convergence between IT service and operations – the 2023 initiative tackled the functionality of ServiceOps head-on. EMA again enlisted in-depth participation of 400+ IT leaders from organizations with at least 1,000 employees in North America, EMEA, and APAC. Key high-level findings from this year’s research include:

- ServiceOps (by any name) – a technology-enabled approach to friction-less collaboration between IT service and operations – is at work across industries and organizations of all sizes globally. It is relatively early but gaining momentum, as 78% of the respondents identify this collaboration as either an active effort or a formal initiative.
- Benefiting IT service and operations equally, ServiceOps tends to be grassroots in origin but is well supported and funded at the C-level. Both informal adoption and C-level support stem from the fact that ServiceOps directly addresses many of the high-priority IT objectives and challenges especially: IT employee productivity, user experience, reduction in outage frequency/duration/impact, improved service, and cost-cutting.
- “ServiceOps” will become a common term following the same type of organizational trajectory that DevOps did in moving from grassroots to mainstream in a combination of people, processes, and enabling technologies – and for many of the same reasons.

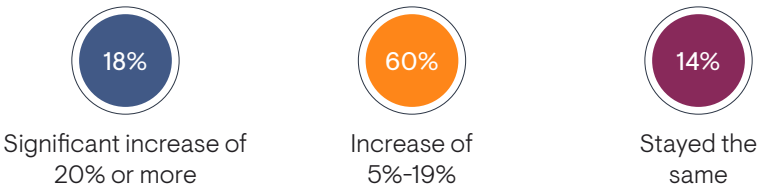


The ServiceOps context

Budget and buying

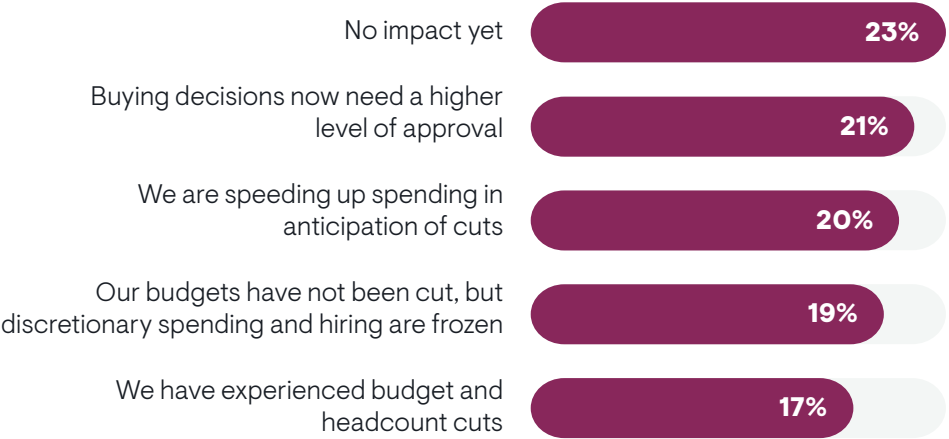
Although 2023 began under a cloud of economic uncertainty, its impact on IT has so far been modest. For 92% of the respondents, IT budgets have remained constant or increased.

This finding may be somewhat offset by the fact of rising costs globally. A 20% increase doesn't go quite as far this year as it has in years past.



More telling is the fact that those budgets have so far only been cut for 17% of the response pool. Global uncertainty has had a dampening effect on spending behavior, but without curtailing buying plans. However, for many reasons, cost-cutting is a high priority for both IT service and operations.

How has the global uncertainty about economics and geopolitical disruption impacted your organization's buying plans or behavior?



ServiceOps doesn't exist in a vacuum. It is a vibrant response to a complex host of factors, forces, and technologies all interacting at high velocity.

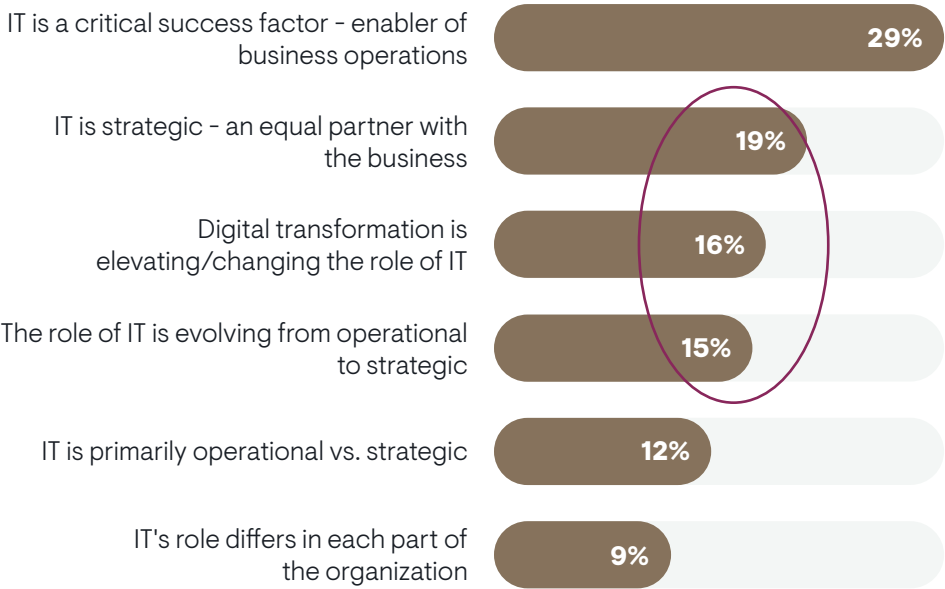
The general state of IT

By any measure, IT is critical to business execution regardless of industry or size of the enterprise. Yet only 19% of this year’s pool see it as a strategic, equal partner to that business.

The good news is that the trend is up.

Digital transformation – itself a strategic initiative – is elevating the role of IT for 16% of the organizations and another 16% report that the role of IT is actively in transition from operational to strategic. Taken all together, half of the responses are already in or headed toward strategic equality.

Which statement best describes the state of IT in your organization?

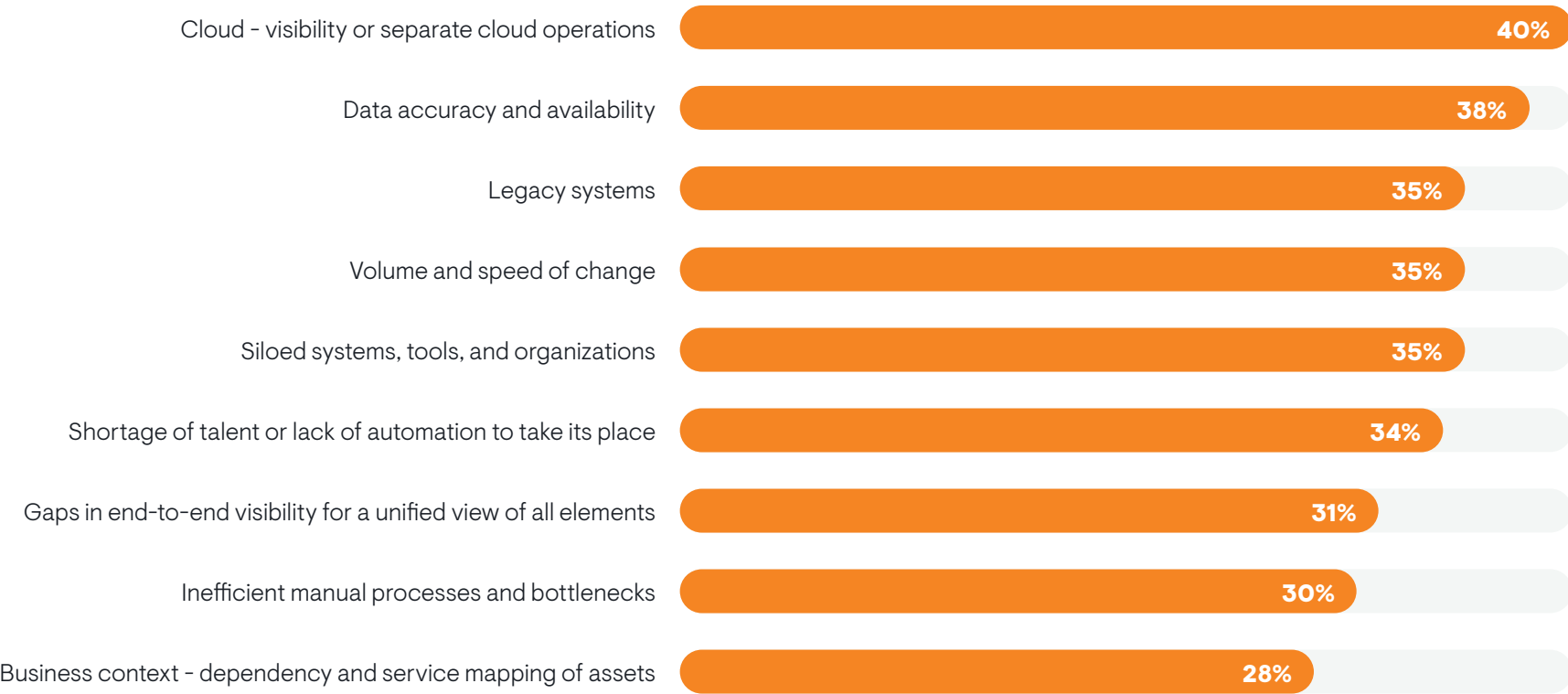


Digital transformation remains in full swing, with 52% of organizations self-reporting as advanced (more than halfway to planned roadmap objectives) and 44% as well-established (approximately halfway to initial planned objectives). Change itself both facilitates development of ServiceOps capabilities and intensifies the need for the frictionless collaboration it promotes.

Cloud, of course, remains a critical element of the transformation story. Cloud migration is “more important than ever” for 46% of respondents. However, 34% state that cloud usage and spend control are now the top priorities when it comes to cloud considerations.

Cloud shows up both as an enabler of innovation and as a top obstacle to high-quality IT service when its visibility is limited by separate operations. ServiceOps highlights the need for cloud operations to participate in end-end efforts and actions.

What are the biggest challenges to delivering high-quality IT service?



Investments and improvements

A quick look at the priorities for improvements and investments adds shape to the drivers and accomplishments of ServiceOps initiatives.

Top ITOps improvements – reduce major incidents/outages and costs

Asked to name the top ITOps improvements in the coming year or so, the respondents were unanimous in declaring “Reduce major incidents and outages” and “Reduce cost” the reigning goals.

The two improvements are related.

Significant incidents and outages cause unplanned work, with 19% of respondents reporting a high impact (defined as 25% or more loss of productivity) and 47% of respondents citing a significant impact (10%-25% productivity loss). A sizeable 32% of the pool found productivity losses of less than 10% to be acceptable and a remarkable 2% had negligible impact from incidents or outages.

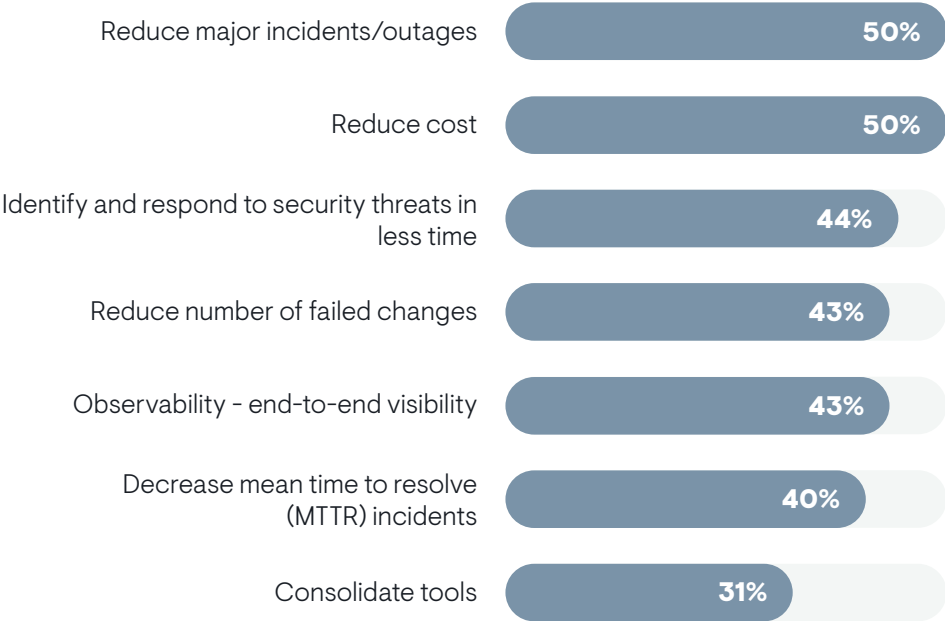


of respondents indicate that significant outages primarily impact IT personnel productivity



of respondents say that those outages impact the productivity of all employees

What are the top ITOps improvement/goals in the next 6 to 18 months?



Top IT service improvements – process automation and cost-cutting

The number-one IT service improvement is “better processes for interaction with other teams,” followed closely by “automated cross-departmental workflows” to enact those processes. These improvements in particular are hallmarks of ServiceOps.

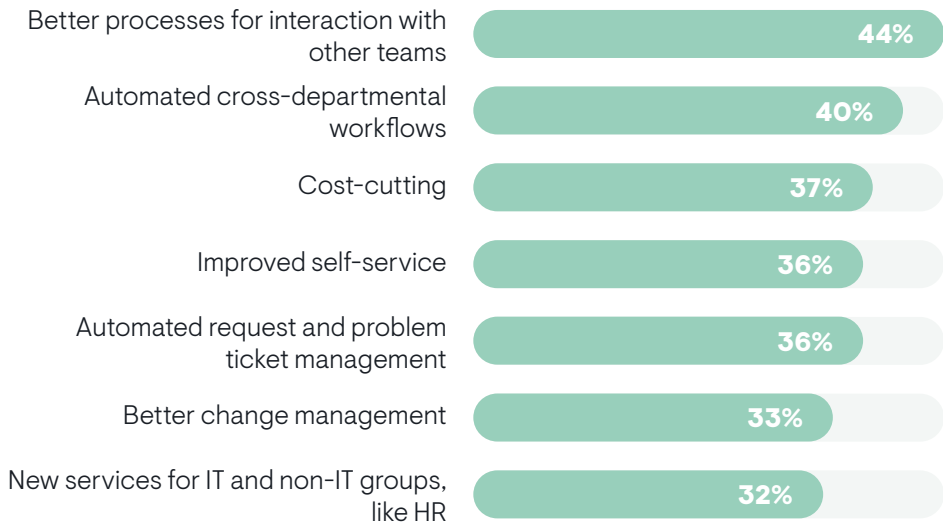
“Cost-cutting” ranks third, followed by automation in the form of “improved self-service” and “automated request and problem ticket management,” which tied for fourth.

ServiceOps logic directly maps to IT service’s top-priority goals for improvement:

- 1. Establish good processes for cross-functional interaction
- 2. Automate those processes as efficient workflows
- 3. Cut costs by reducing wasted time of everyone involved – IT and users alike

Costs are also cut when the frequency and duration of significant incidents or outages are cut.

What are the top IT service improvement/goals in the next 6 to 18 months?

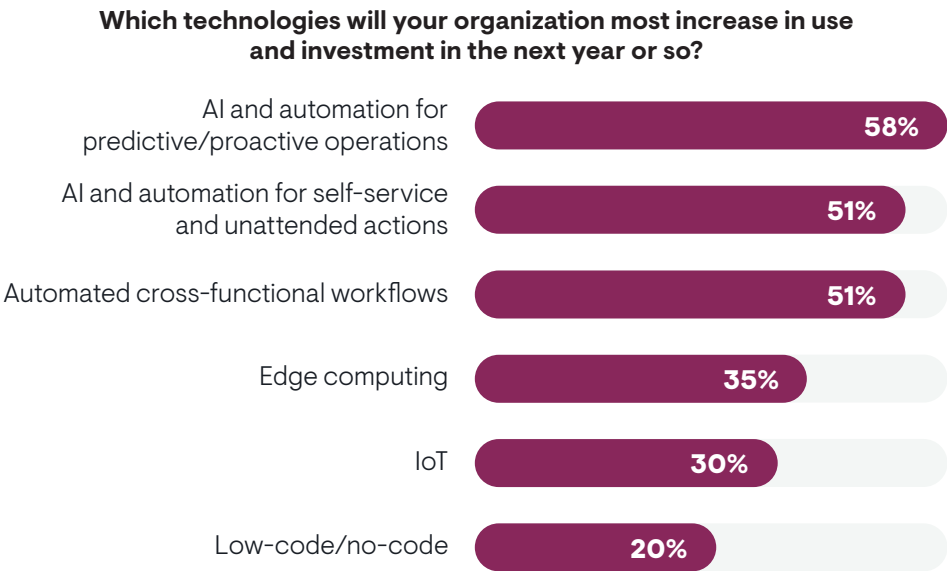


AI and automation

To qualify for participation in this research, IT leaders had to come from organizations that explicitly count IT automation as a priority. It didn't have to be the highest level of strategic import, but it couldn't be a casual interest. The reason for this qualifier is because automations – especially cross-functional workflows – both enable and engender ServiceOps. An organization that is only dabbling in automation would be unlikely to add value to the ServiceOps conversation.

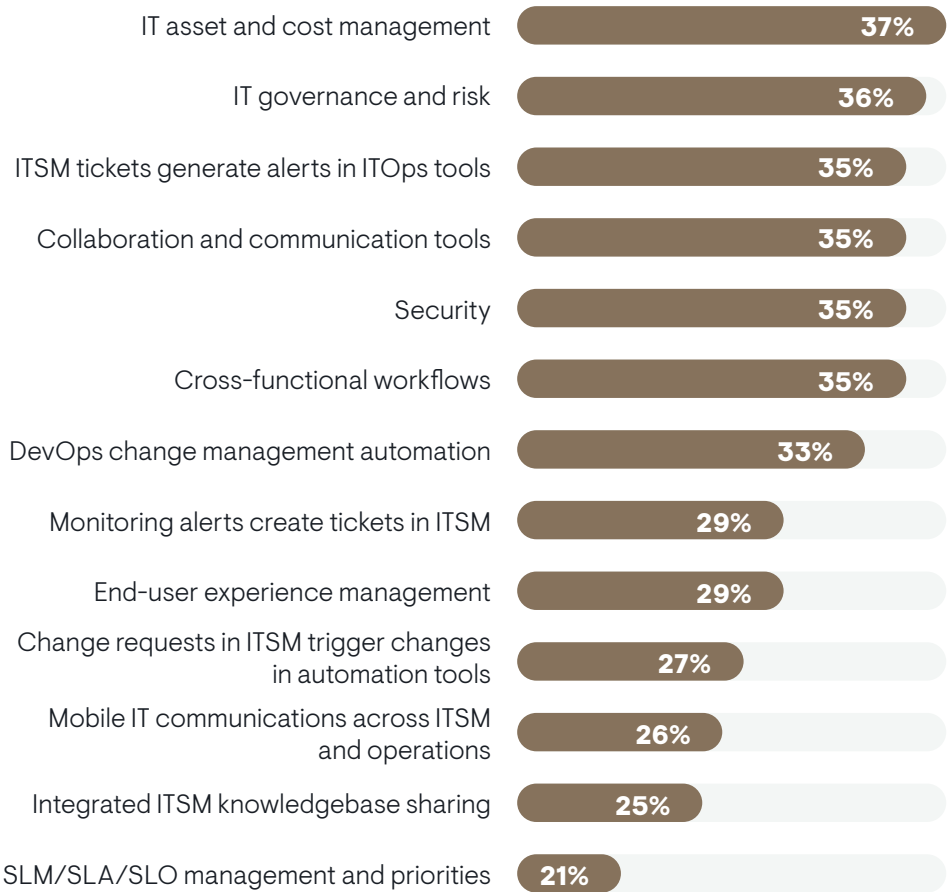
Allowed to choose from a diverse list of technologies, the combination of AI and automation was the runaway top technology investment area for the near future. It took first place with predictive/proactive operations. “Automated cross-functional workflows” shared second place with its teammate, “AI and automation for self-service and unattended actions.”

These investment priorities map closely to the top improvement goals for both ITOps and IT service. They are foundational to IT quality of service and ServiceOps effectiveness.



There is no shortage of ways that IT operations and service collaborate using AI/ML and automation naturally – independently of any formal ServiceOps initiative. Of the tightly grouped top six use cases, three are enterprise-wide concerns: IT asset and cost management, IT governance and risk, and security. The rest directly facilitate interaction between the two teams, reducing waste that is caused by friction and making it easier for both sides do their work better.

How do IT operations and service collaborate using AI/ML and automation?

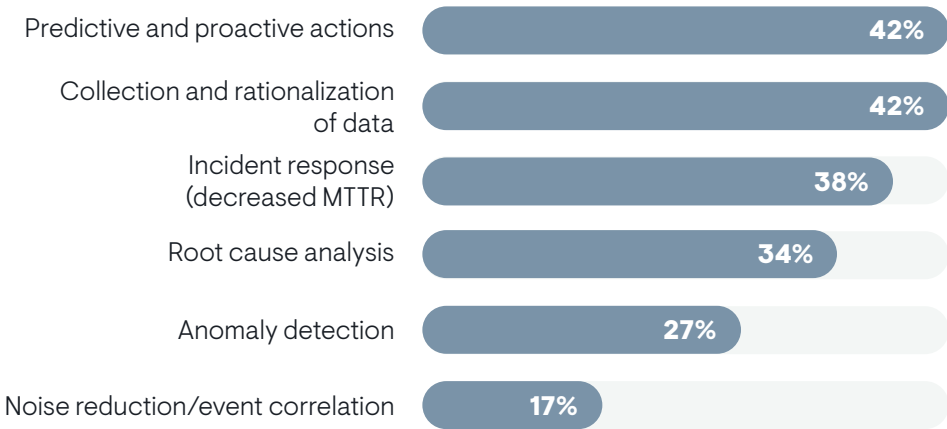


AIOps

It’s worth noting that AI and automation for predictive/proactive operations have shot up in importance from similar research conducted over the past few years. The notion of predictive/proactive actions was always on the list of desirable outcomes, but only made it to the top tier this year.

That rise can be understood in light of the drive to cost-cut and increase operational efficiency in pursuit of employee productivity and decreased significant incidents/outages. It is also fueled by the expanding base of experience that enterprises built up in the past few years – most especially with the successful growth of AIOps solutions. Automation breeds automation.

How is AIOps most useful in your organization?



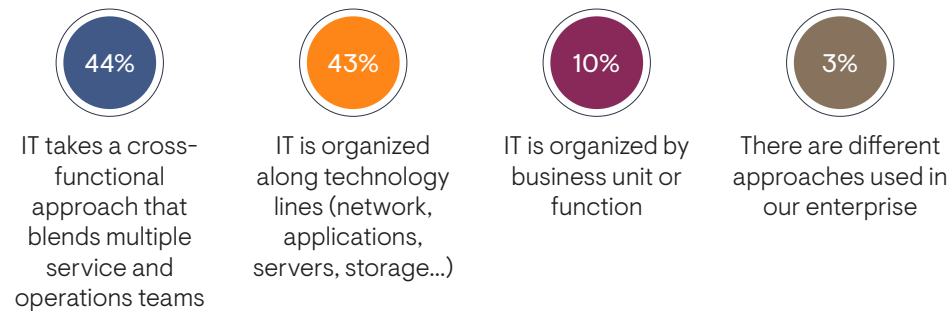
A data-based view that AIOps is effective against significant incidents and outages:

Whereas most respondents see IT outages and significant incidents as either increasing (40%) or remaining roughly the same (27%), 18% of respondents indicated that they’ve been “decreasing because of proactive AIOps systems we’ve put in place.” Another 15% of participants acknowledge that they’ve experienced an increase, “but we think we can lower the impact with AIOps and automation.”

IT organizational principles and platform use

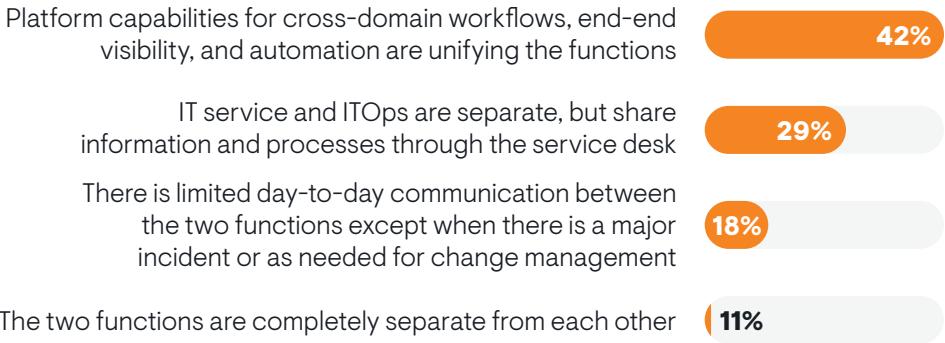
The general increase in cross-functional capabilities is mirrored in the way IT organizes itself. Asked: **“Although oversimplified, how would you describe your IT’s organizational principle?”** there was a fairly even split between cross-functional and technology lines of demarcation.

The cross-functional pool is up 25% over last year’s responses.



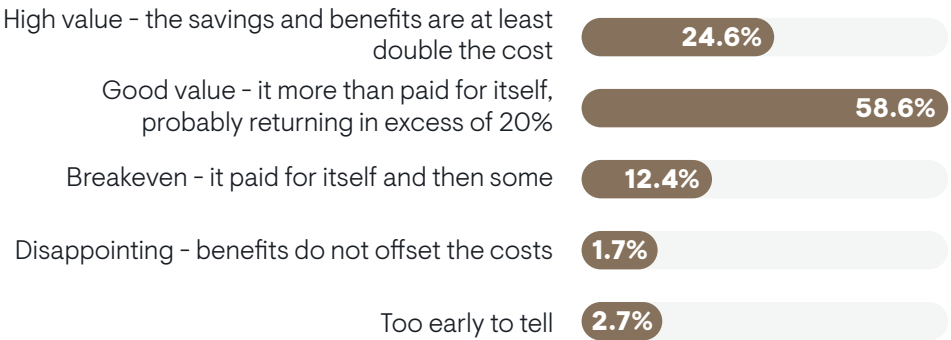
That rise is also reflected in the use of platforms for co-work between IT service and ITOps. This year’s 42% of organizations that are using platforms specifically for ServiceOps-type collaboration is up from last year’s 24%. That gain appears to come from unstructured use of the service desk as the hub of bi-directional sharing, which had a 45% share just last year compared to 29% this year. Also, at 18%, the “only as needed” group shrank from last year’s 25% share.

Which statement best describes your enterprise’s approach to IT service management and IT operations (ITOps and DevOps) execution?



ServiceOps and platform use go hand in hand. There is no practical way to effect efficient cross-domain workflows and automation in the absence of unifying platform capabilities. In fact, although platform value relative to cost is strong across the board, organizations with mature ServiceOps teams report recognizing a higher return on investment than other groups: 35% of respondents with mature initiatives cited a high-value return on their platform investment (defined as “at least double the cost”).

In terms of cost, what value has your platform investment returned?





The ServiceOps research

Overview

ServiceOps as a term is newer than ServiceOps as a functional reality. IT service and operations teams have been quietly moving in this collaborative direction for the past few years as they take advantage of advancing capabilities and shared objectives.

ServiceOps is a natural outgrowth of initiatives already well underway in most organizations, especially:

- Cross-functional workflows
- Automation
- AI/ML for predictive/proactive and autonomous actions
- AIOps
- End-end visibility
- Use of a platform for unified actions

Its practical outcomes and benefits map to the top IT objectives and challenges overall, including:

- Improved IT service
- IT employee productivity
- Fast incident response and reduced outages
- User experience (both employee and customer)
- Innovation
- Security
- Cost-cutting

The impact of ServiceOps is almost universally positive. Although its benefits earn very strong C-level support, ServiceOps typically begins as an informal effort gathering support and organizational definition over time. It tends to start in ITOps and enlist ITSM, but both groups benefit equally. Better yet, its benefits extend to groups across the enterprise starting with security, end-user management, DevOps, GRC, engineering, and product teams.

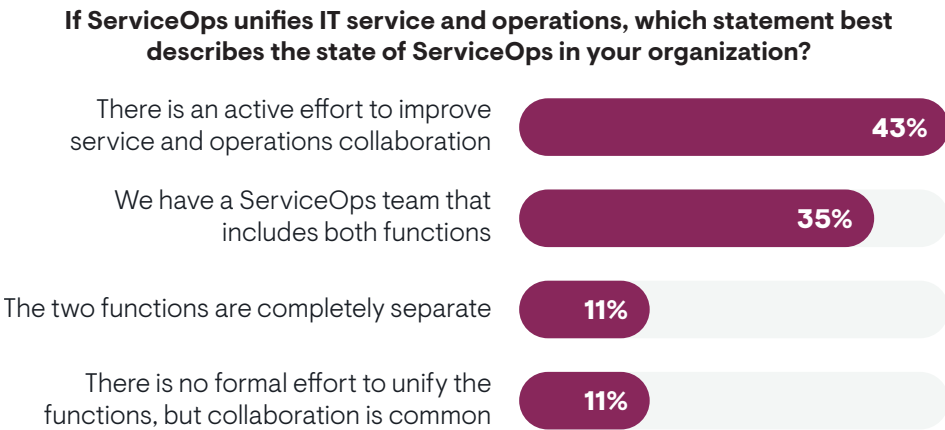
What follows is a review of top-level findings from this research regarding ServiceOps' adoption level, drivers, challenges, requirements, outcomes, and likely near-term future.



What’s in a name?

Asked “**What does the term ServiceOps mean to you?**” 60% of respondents correctly identified it as “an approach that combines IT service and operations” with CxOs scoring close to 100%. Answers from the remaining 40% ranged between guesses such as “an IT product that improves service” and “an organizational concept” to an honest 3%, who replied that it means “nothing – it’s a new one to me.”

However, when EMA defined ServiceOps and then asked questions, a different picture emerged. **It turns out that, with or without the name, ServiceOps is either a formal team or an active effort in 78% of the participating organizations.**

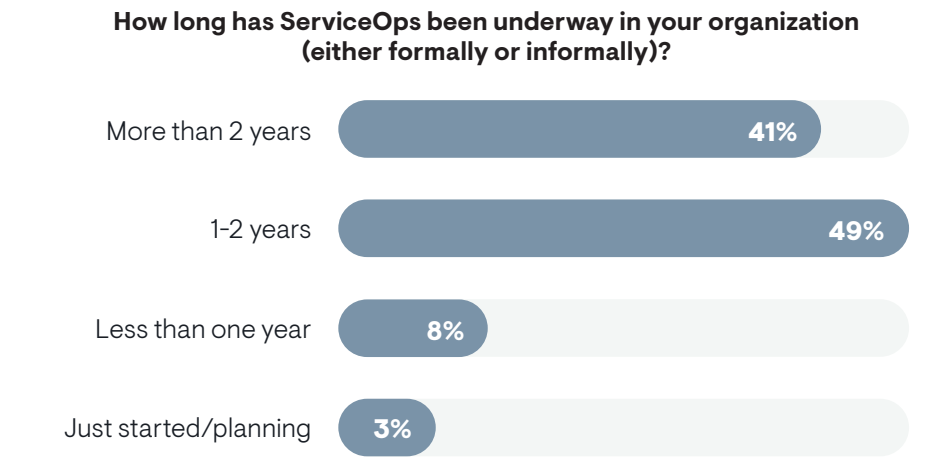


Drilling a little deeper, formal ServiceOps teams tend to be more mature and C-level supported than the “active effort” group, which tends to be informal and somewhat early. Both are more advanced in digital transformation, automation, and use of predictive/proactive actions than the 22% of organizations that are not explicitly moving in that direction. The “completely separate” group is more likely to see IT as purely operational vs. strategic and have a lower level of platform use and quality of IT service delivered.

ServiceOps maturity and impact

Maturity brings increased benefits at an elevated level

Of those groups that self-identified as having formal or informal ServiceOps initiatives, EMA asked about the maturity and impact of the effort. It turns out that ServiceOps is a young discipline, with more than half of the initiatives being less than two years in place. However, time in place makes a difference: 31% of those with 2+ years reported having outstanding IT quality of service vs. 21% in the 1-2 year group and 16% in the early group. Across the board, benefits increase with experience.



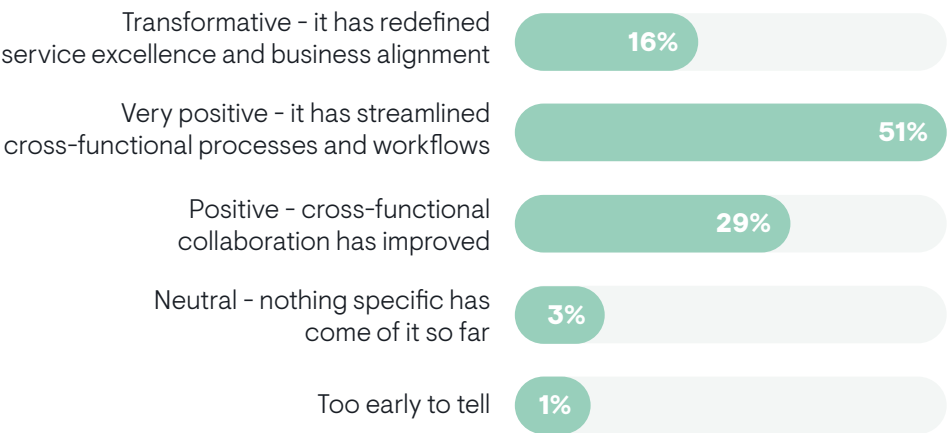
The impact is wide-ranging and high-value

The impact of ServiceOps is almost universally positive for a few reasons.

- 1. ServiceOps delivers high value across a wide range of desired IT objectives and goals
- 2. It significantly improves IT personnel productivity and quality of service delivered
- 3. It benefits numerous groups beyond service and operations
- 4. It has a high adoption rate and is non-disruptive

Because it typically begins as a grassroots effort it is well-adopted, needing low additional cost. ServiceOps does require enabling technology to execute, but it requires organizational support to excel. The fact that 67% of those organizations with ServiceOps initiatives rate the impact as very positive or transformative indicates the high-value return and relative ease of these efforts.

What impact has ServiceOps had on your organization?



Drivers and outcomes

There are many reasons for adoption

Choosing the top three reasons to adopt ServiceOps quickly morphed into six. Although better service leads as the top reason, what amounts to a five-way tie for second place follows service with improved user experience, innovation and agility, employee productivity, faster incident resolution, and security/GRC. These reasons clearly reflect the top objectives and target improvement areas for IT in general, which gives ServiceOps both strategic and tactical value.

What are the top three reasons for your organization to adopt ServiceOps?



The rationale for ServiceOps is relatively straightforward. IT works better when service and operations work well together. What is the organizational force behind its adoption? The primary driver is inter-team cooperation, whether in the form of a mutual aid survival tactic or an evolutionary advance on workflow automation. Although it has strong C-level backing because of the many benefits it delivers, ServiceOps almost always begins in the trenches – team to team, minimizing the frustration and waste of duplicated efforts and gaps.

Which statement best describes the reason for service and operations to increase collaboration in your organization?



When it comes to daily practice, ServiceOps is an approach to effectiveness, not a destination. There is a spectrum that runs from cooperation through collaboration to unification – with benefits to be gained at each point. Research participants with active ServiceOps initiatives were fairly evenly split when asked the ideal level of ServiceOps unification of service and operations:

- Merged – shared reporting structure, systems, and business goals
- Coordinated – simplified collaboration and workflows

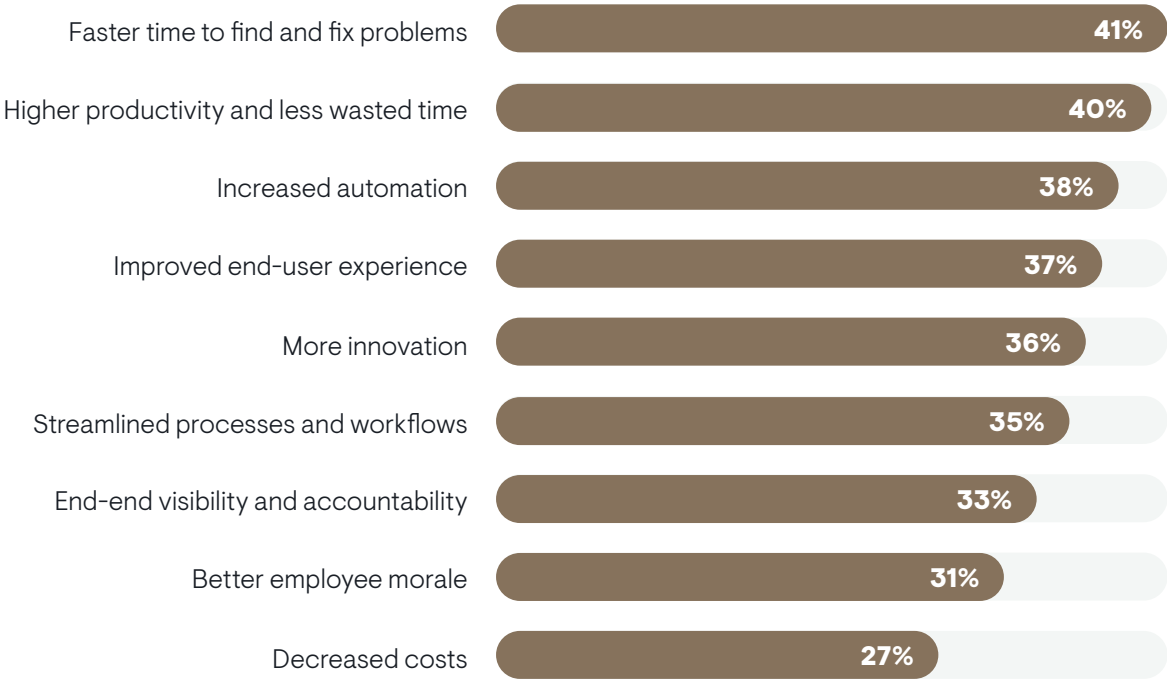
The merged category had a slight edge (ten percentage points) over the coordinated cohort. Interestingly, CxOs tended to choose merged as ideal while IT professionals from mature ServiceOps teams chose coordinated. If there is any lesson to draw from these observations, it is probably that there is no one right way to enact ServiceOps. The ideal level and method of unification will not only differ from one enterprise to another, but it may also differ over time in each organization.

Practical outcomes are enterprise-wide

One of the reasons that ServiceOps is experiencing rapid growth is because there is good triangulation between the promise of its premise, reasons for adoption, and results it delivers. Results meet or exceed expectations with no disruption to established charters and the available talent pool.

There is no magic here. When IT service and operations effectively work together, problems get fixed faster and happen less often over time. IT employees waste less time in duplicate efforts or scrambling for information, which cuts costs and improves both morale and productivity. On an organizational level, innovation, effectiveness, and automation increase at the same time that user experience improves.

What are the results when service and operations are effectively unified?



It is no surprise that the benefits of ServiceOps extend well past IT service and ITOps into the broader organization. Teams that were specifically called out as benefiting were: security, FinOps/cloud, end-user management, DevOps, GRC, product teams, engineering, lines of business, and non-IT functions,

such as HR and finance. SRE made the list but came in last. With the arguable exception of cloud management, all the benefitting groups share the fact that they are cross-functional by nature.

Which areas or use cases benefit most from coordination of service and operations?



Obstacles and enablement

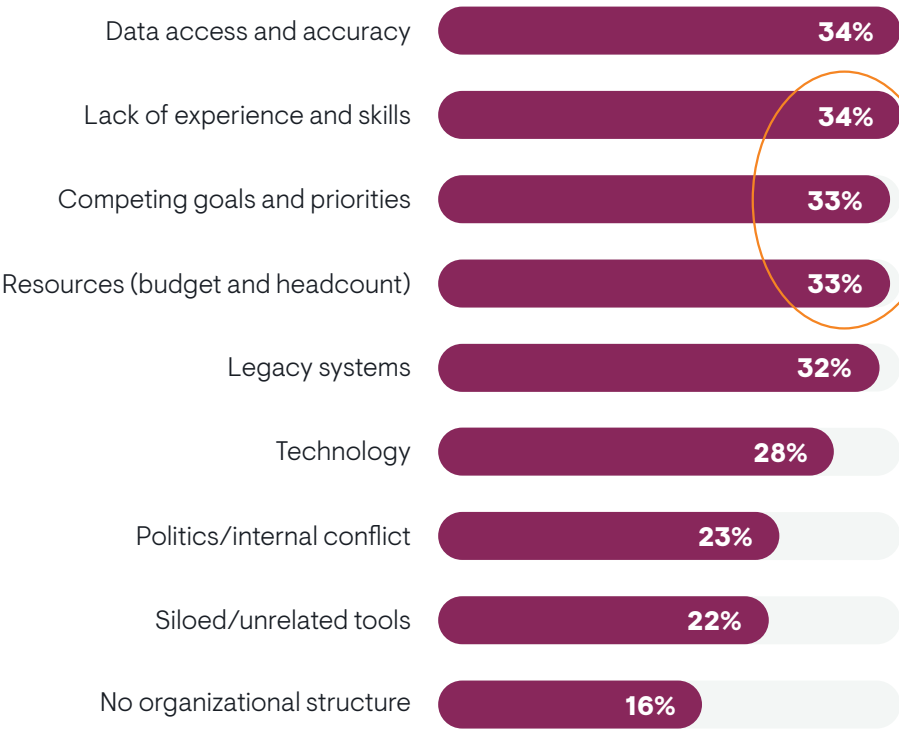
Challenges are largely organizational

Because sharing information is a core tenet of ServiceOps, it makes sense that data access and accuracy would top the list of challenges. Data – currency, accuracy, and accessibility – is one of the top functional challenges to both ITSM and ITOps teams when they are working in their own self-contained spheres. That challenge is magnified when the two interests actively collaborate.

Other than data and the universal issue of legacy systems, the top challenges to ServiceOps are organizational, not technical.

- Lack of experience and skills goes beyond the current shortage of skilled IT talent to the uncertainties that accompany any new endeavor. The use of AI and automation technologies to unify formerly siloed functions is new territory and it requires some new approaches and skills.
- Competing goals and priorities stand in the way of effective collaboration when the two teams are measured by different standards against differing objectives. This impediment is usually remedied quickly and painlessly when the ServiceOps initiative moves from an informal effort to one that has official backing and status. The conflicting goals are largely remnants of earlier siloed eras and limitations.
- Similarly, lack of resources (budget and headcount) tends to diminish as an impediment to ServiceOps when the function gains legitimacy as an enterprise priority. Funding for ServiceOps initiatives involves the C-level in most organizations. That level of attention doesn't guarantee that there will be no resource constraints. Rather, it means that separate teams will not have to cobble together complementary budgets in their efforts to collaborate. In mature ServiceOps teams, resource shortages are no more of an issue than for any other IT function.

What are the top obstacles to ServiceOps?



The two faces of enablement

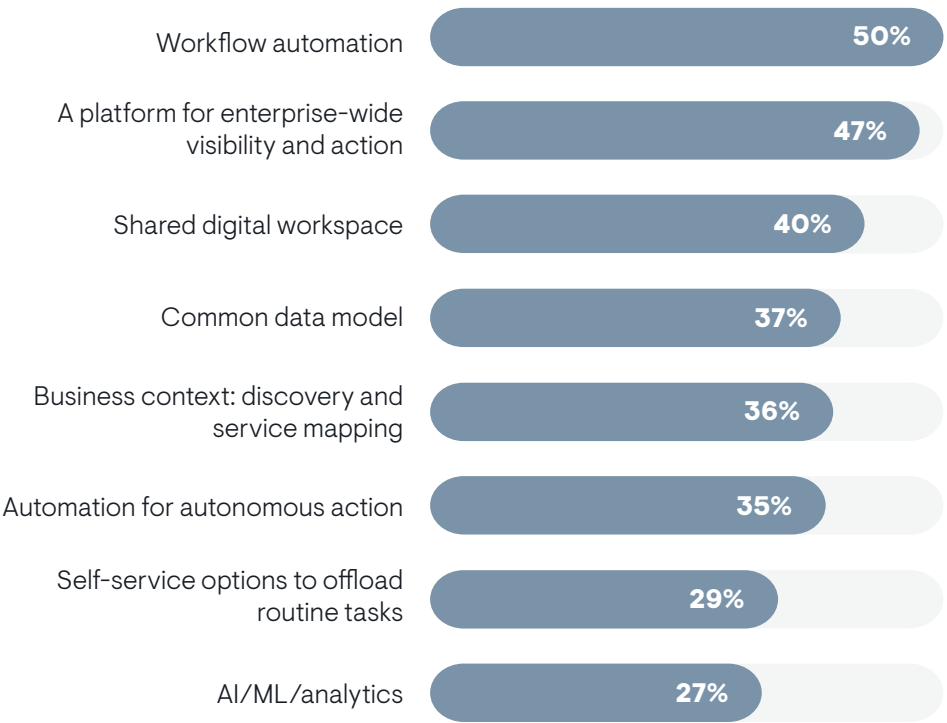
When it comes to ServiceOps, there is an inescapable pairing of people factors and technology. For instance, workflow automation comes in as the number-one technology needed to unify service and operations, but that automation only makes sense when the # 1 human factor is already in place – efficient processes and workflows. Likewise, collaboration tools are most effective when used in conjunction with a platform for unified visibility and action, which can provide a common data model and a vehicle for autonomous action.

The importance of executive support comes through explicitly in the need for organization and shared objectives/metrics. However, executive-level endorsement is also implicit in the need for enabling technologies that cross domains such as AIOps and automation, which tend to be funded at a high organizational level. There is a cycle of interaction between people and technology. ServiceOps happens because technology makes it practical. Then, more technology is needed because it empowers ServiceOps to deliver increasing levels of service and value.

Which factors are most important to unify service and operations?



Which technologies are most important to unify service and operations?



Parallels between ServiceOps and DevOps

There are some obvious parallels between ServiceOps and DevOps:

- 1. Both are cross-functional
- 2. Each one arose in response to the problems caused by siloed organizations
- 3. The functions have a high reliance on technology enablement
- 4. They benefit from organizational support and shared objectives
- 5. Although they can work on an informal basis, they flourish when formalized
- 6. They experience rapid adoption because they make sense and deliver high value
- 7. Benefits increase with maturity

Consider the responses between this year’s question of the changes that ServiceOps requires with last year’s question about DevOps. The fact that the responses are so closely matched doesn’t mean the functions are especially alike. Instead, the similarity of responses is characteristic of cross-functional efforts in general. EMA anticipates that ServiceOps adoption will follow a trajectory similar to that of DevOps – and for many of the same reasons.



Concluding thoughts

It should be no surprise that ServiceOps has become so prevalent in what seems to be such a short time. After all, its essential ingredients are well established in organizations across industries:

- A shared business context – the need for high-quality IT service to drive and support innovation
- Platform capabilities – an enterprise-wide basis for unified visibility, shared data, and actions
- AI-assisted automation – technology that tames the complexity of IT

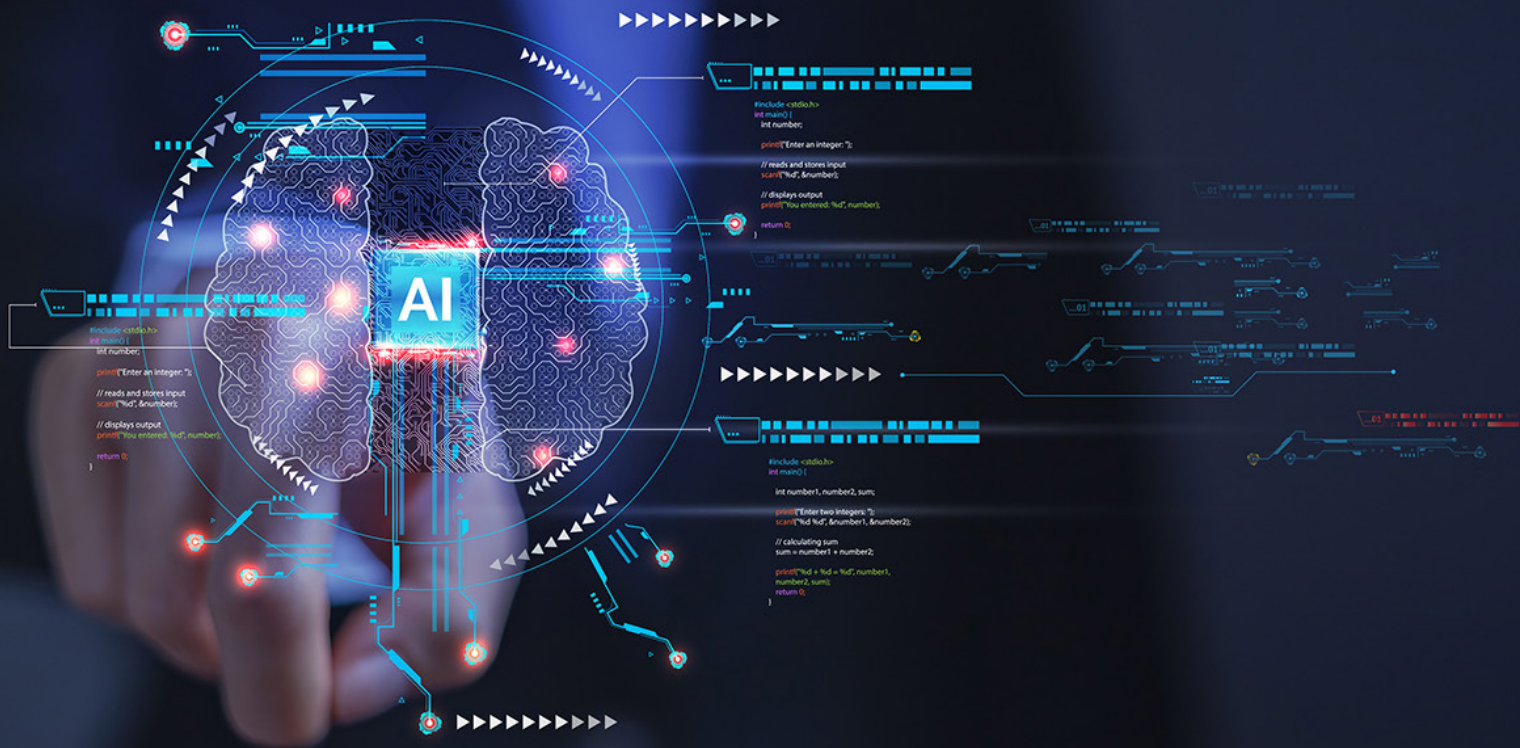
Its adoption is rising so quickly because it makes sense, is practical, and makes everyone's job easier without requiring major disruption in day-to-day realities. ServiceOps maximizes the value and impact of both technical capabilities and human talent, cutting waste and cost as it goes.

A telling data point is that 62% of ITOps and IT service respondents state that ServiceOps equally benefits both teams. What's even more interesting is that the remaining 38% of respondents feel that their team is the one that benefits more than the other team. In the case of ServiceOps, the grass is greener on the home side of the fence.

As this research demonstrates, ServiceOps is active in one form or another, with or without a specific name, in 78% of the organizations represented. There is a good chance it is at work in most enterprises that have invested in AI/ML, automation, and cross-functional workflow or process automation. It will continue to evolve and take shape over time.

EMA anticipates that next year's research will find more formalization and standardization as ServiceOps becomes mainstream and recognized as such. Although organizations clearly benefit from grassroots efforts at improving collaboration between IT service and operations, they do even better when those initiatives become recognized and funded. ServiceOps requires enabling technology to execute, but it requires organizational support to excel. The trick is for senior management to come along side any grassroots effort with resources and organizational enablement without killing the entrepreneurial spirit that characterizes and enlivens its advancements.







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