
The Adoption of ITIL in Large Enterprises

January 2005

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Executive summary

January 2005

The IT Infrastructure Library (ITIL) is a series of documents that describe an integrated, process-based, best practice framework for applying IT Service Management (ITSM) to improve operational efficiencies. ITIL processes present a flexible approach that can enhance delivery of mission-critical IT resources in the face of constantly changing business needs. Its adoption is becoming wide-spread among large organizations worldwide for meeting today's business challenges. Market research firm Forrester says, "2005 will be the year when ITIL goes mainstream."¹

TechRepublic conducted a study among over 200 North American IT and business professionals in organizations with 1,000 or more employees to examine the current state of ITIL best practices in large enterprises. The study was conducted to explore the extent to which ITIL has been implemented, as well as key issues surrounding the integration and utilization of ITIL processes. Specifically, we explored:

- Current practices in ITIL service management implementation;
- Level of maturity in integration of ITIL processes and related strategies;
- Impediments to successful adoption of ITIL processes; and,
- Extent of utilization of ITIL processes in large organizations.

Among the most compelling findings were:

- *ITIL adoption is gaining momentum but is still in the early stages of implementation for most enterprises in North America:* Only 19% of respondent organizations in North America have reached the most mature practice levels (control, integration, and optimization). The majority of respondents (81%) report their adoption of the ITIL framework (guidelines, principles, and concepts) is either absent or is still being established and is not yet fully implemented.
- *Organizations prefer integrated suite-based approaches to ITIL adoption:* Over 75 percent of respondents employ a solution that relies on an integrated suite—either alone or in combination with home-grown or point solutions. In contrast, less than 25 percent rely on home-grown or point solutions alone or in combination to implement ITIL best practices.
- *Organizations approach ITIL Service Support and Service Delivery processes stepwise resulting in maturity gaps.* For each of the Service Support processes, about 50 to 60 percent indicate absent or initiated processes (not yet fully implemented). Service Delivery processes are moving slower along the maturity curve, with less than 40 percent of organizations reporting mature practice levels for most delivery processes.
- *Impediments to successful ITIL adoption revolve principally around management factors that are under the control of CXO:* CXO sponsorship is the dominant critical success factor in the adoption of ITIL. Survey participants report the major barriers to ITIL adoption are a lack of awareness (61 percent), an inability to attain buy-in (60 percent), and a lack of committed process owners (59 percent). Technical issues are of secondary importance to adoption decisions.

¹ Forrester Research, "ITIL's Final Breakthrough: From 'What' To 'How,'" Thomas Mendel, Ph.D. August 2004

- *Many organizations are using ITIL processes as a part of their strategic planning:* Over 40 percent of respondents indicate that their enterprise currently considers IT service management a strategic part of their design and planning processes, and others (40 percent) will do so in the near term.

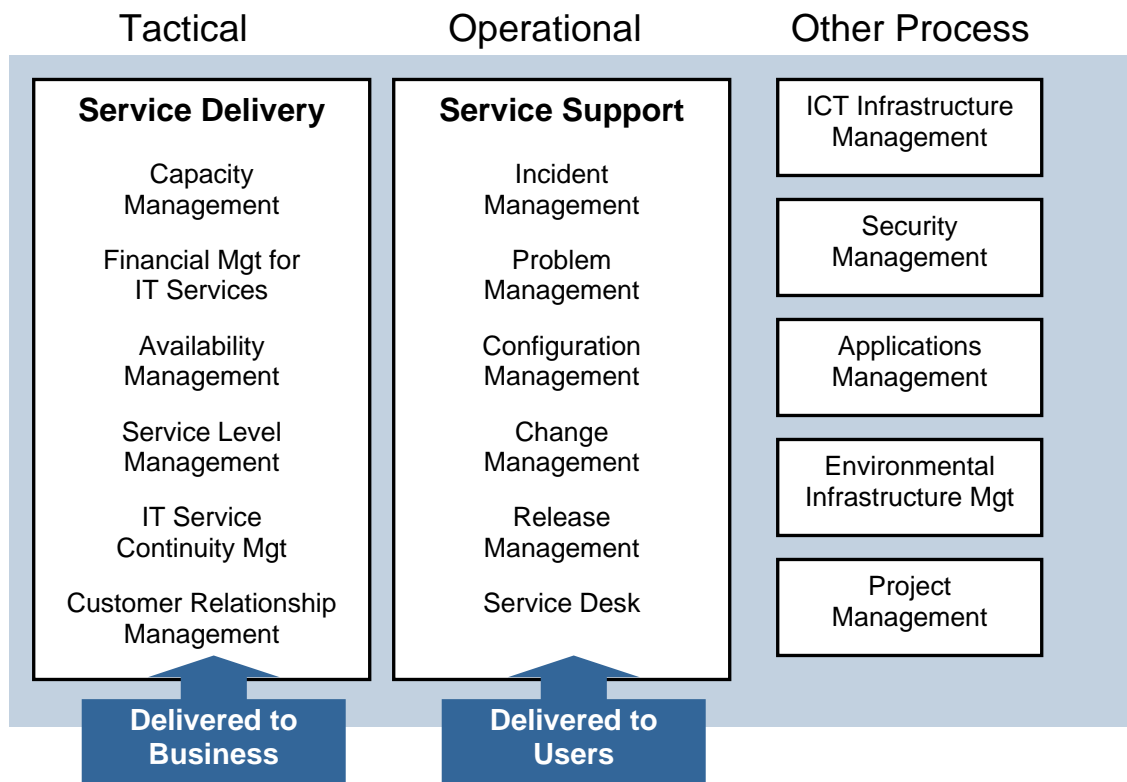
Without question, ITIL is on track to have a significant role in how organizations automate the management of the IT infrastructure in a business-relevant way; however, it's not an easy journey. One immediate challenge for IT professionals is to convince key decision-makers of the value of ITIL adoption for their enterprise by increasing awareness, buy-in, and process ownership within the enterprise.

Introduction

The IT Infrastructure Library (ITIL) is a series of documents that describe an integrated, process-based, best practice approach for applying IT Service Management (ITSM) to improve operational efficiencies. The framework has its origins in the UK, where in the mid-80s the government decided to stop “re-inventing the wheel” for buying and operating large scale IT systems, and instead developed a set of standards that eventually became known as ITIL. ITIL adoption allows IT operations to take a flexible approach in delivering mission-critical resources to meet ever-changing business needs. Increasingly, IT organizations are adopting the framework to improve IT environments and to address today’s business challenges. According to Gartner, “The past year has seen much more awareness of this framework, especially in North America, and expectations are rising fast.”¹ Forrester is in agreement, proclaiming that “2005 will be the year when ITIL goes mainstream.”²

The ITIL framework is composed of three primary segments. The first two, Service Delivery and Service Support describe key processes IT organizations must have in place to provide quality IT services for its customers. The third area consists of the remaining ITIL processes which, although important, are not of central concern to IT service management.

ITIL Process Reference Framework



¹ Gartner, “Hype Cycle for IT Operations Processes and Tools, 2004,” June 2004

² Forrester Research, “ITIL’s Final Breakthrough: From ‘What’ To ‘How,’” Thomas Mendel, Ph.D. August 2004

Using the two main components of ITIL as a foundation, TechRepublic conducted a survey to explore best practices for implementing and utilizing ITIL in large organizations. Specifically, we asked respondents about:

- Current practices in ITIL implementation;
- Level of maturity in integration of ITIL processes and related strategies;
- Impediments to successful adoption of ITIL processes; and,
- Extent of utilization of ITIL processes in large organizations.

The results of the study are highlighted in the following sections.

Research methodology

A survey invitation was sent to registered TechRepublic members between December 3, 2004, and December 7, 2004. The Web-based survey was designed to explore the adoption level and integration of ITIL-defined processes within large organizations. The results reported here are based on the 212 completed surveys collected during the study.

Respondent demographics

Survey respondents were selected from among TechRepublic members who met certain selection criteria, specifically those who are:

- Affiliated with organizations based in North America that have 1,000 or more employees.
- From a cross-section of industries.
- IT and business professionals (e.g., executives, directors, managers, developers).

Key findings

Current state of ITIL adoption

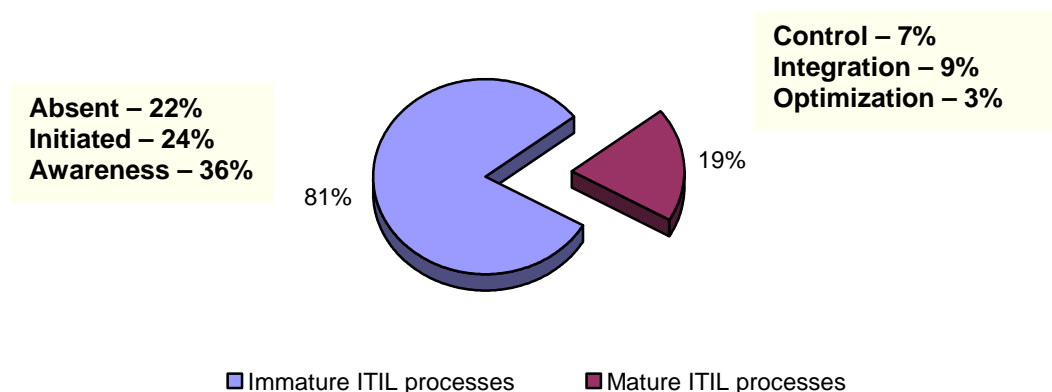
The first objective of the study was to explore the adoption level and maturity of ITIL as a framework for IT service management. We began by asking participants to describe the overall current state of the ITIL framework in their organizations. Then, we took a closer look and examined the current status of the two main areas of ITIL, Service Delivery and Service Support. We used the following response guide throughout this section:

- **Initiated** (organizations may have initiated a process but it is not yet in place as a best practice)
- **Awareness** (implementation of the process is in place by not yet completed)
- **Control** (the process is fully implemented)
- **Integration** (the process has been fully integrated as a best practice and is being fine-tuned), and
- **Optimization** (process maturity is driving quality improvements and new business opportunities).

Only about 3 percent report that ITIL process maturity is driving quality improvements and new business opportunities for their organizations (an optimized framework). In stark contrast, 22 percent report no current activities to support ITIL. Noteworthy is that over one-third (36 percent) of respondents report that ITIL is understood, but implementation is not completed, while about 24 percent of respondents have initiated ad hoc activities. It appears that the majority of organizations are starting small and moving slowly along the complex road to successful IT deployment, likely addressing each discipline area in stages.

The fact that over 80% of the organizations surveyed do not have a mature framework in place represents a significant opportunity, but it's also indicative of the challenges of implementing ITIL.

Which of the following best describes the current state of the ITIL best practice framework in your organization?

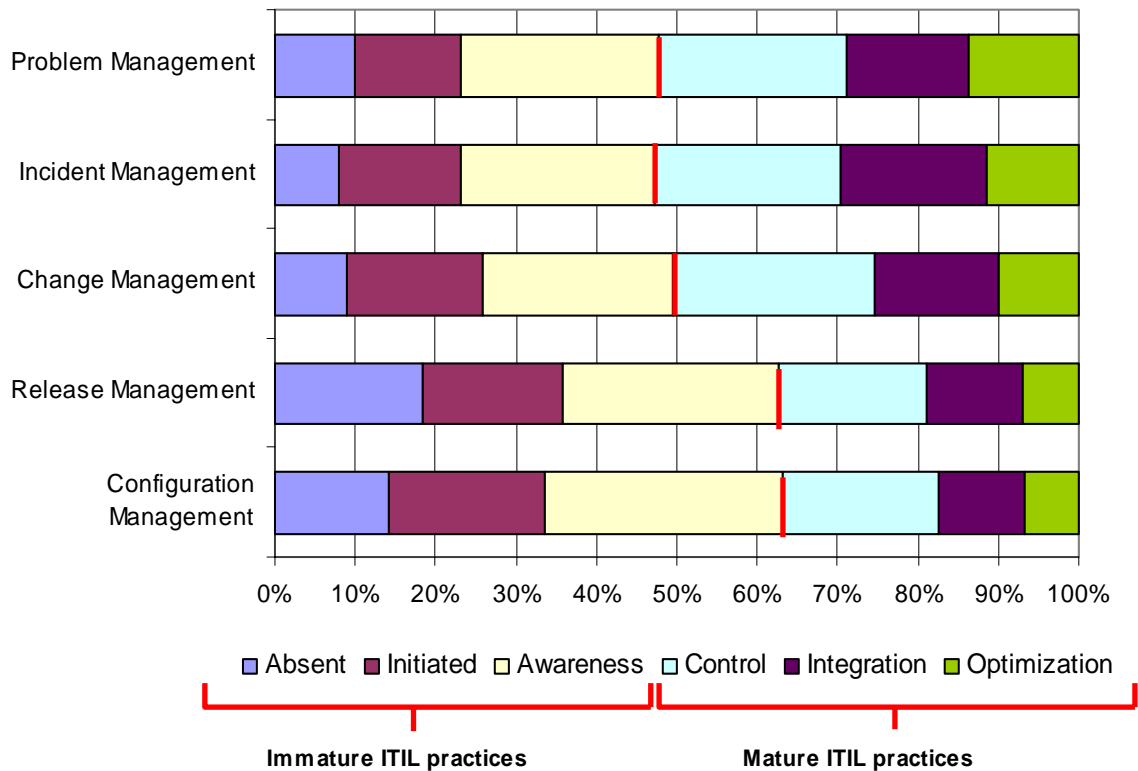


We also asked survey participants to rate their organization’s current standing with the following Service Support processes; Problem Management, Incident Management, Change Management, Release Management and Configuration Management. These service support processes are associated with the day-to-day support and managing activities relating to the provisioning of quality IT services.

The data show a clear trend in current organizational maturity with respect to ITIL Service Support processes. The good news is that for Incident Management and Problem Management—the requisite starting points for responding to and restoring normal service to IT services—63 percent of enterprises are further along the maturity curve than they are for some of the more advanced service processes, such as Configuration and Release Management. For these latter stages, the majority of organizations (63 percent each) are either not engaged at all or are still somewhere in the implementation phase, while half aren’t engaged at all in Change Management or have not yet implemented a full-scale process.

This is clear evidence that while the overall benefits and importance of ITIL are recognized, implementations focus on laying the cornerstones of effective ITIL service support—establishing processes for Incident and Problem Management as the first line of defense against inefficiencies. However, there is still ample room for advancing and improving all support processes in the majority of North American organizations. The graph below shows the status for each Service Support process, along with the division between immature and mature ITIL practices. The rating guide used in the previous question was used here.

Which best describes the current status for each of the following Service Support processes for your organization?

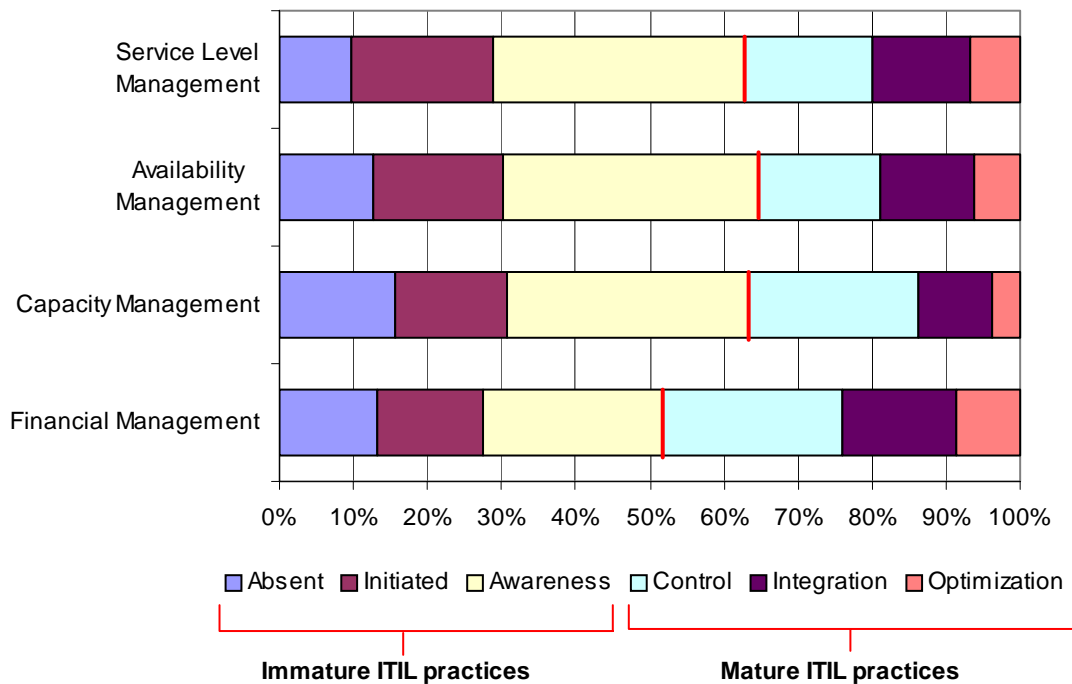


Next, we asked survey participants to describe the current status of Service Delivery processes within their organizations, which include Service Level Management, Availability Management, Capacity Management, Financial Management, and IT Service Continuity Management which we'll look at separately. These service delivery processes are associated with the longer-term planning and delivery of quality IT services.

Overall, the data reveal that Service Delivery processes are largely absent or still in the process of being implemented. Roughly 65 percent have immature practices around Service Level Management, Availability Management, and Capacity Management. One of the strongest service delivery processes are in the area of Financial Management—nearly 50 percent of respondent organizations have fully implemented this process or have progressed to the highest maturity levels of integration and optimization of the processes. This finding underscores the high priority placed on managing monetary resources in a time when budgets are thin and demands are high.

The rating guide used in the previous questions was used here.

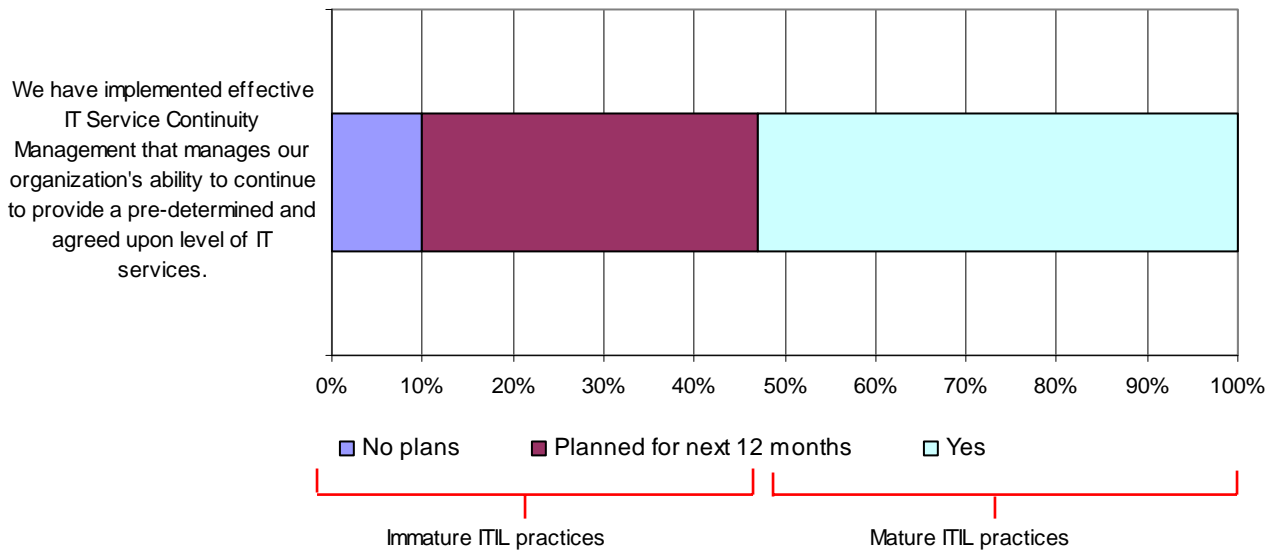
Which best describes the current status for each of the following Service Delivery processes for your organization?



Closely related to Availability Management and Service Level Management is IT Service Continuity Management, which ensures the recovery of IT technical and services facilities within required, and agreed-upon business time frames.

We asked our respondents to endorse a statement concerning whether their organization currently performs IT Service Continuity. As the most critical process supporting the business, it has reached the highest level of maturity among the service delivery processes—over 50 percent of organizations have fully implemented this process or have progressed to the highest maturity levels of integration and optimization. The chart below illustrates:

Please rate the following statement:



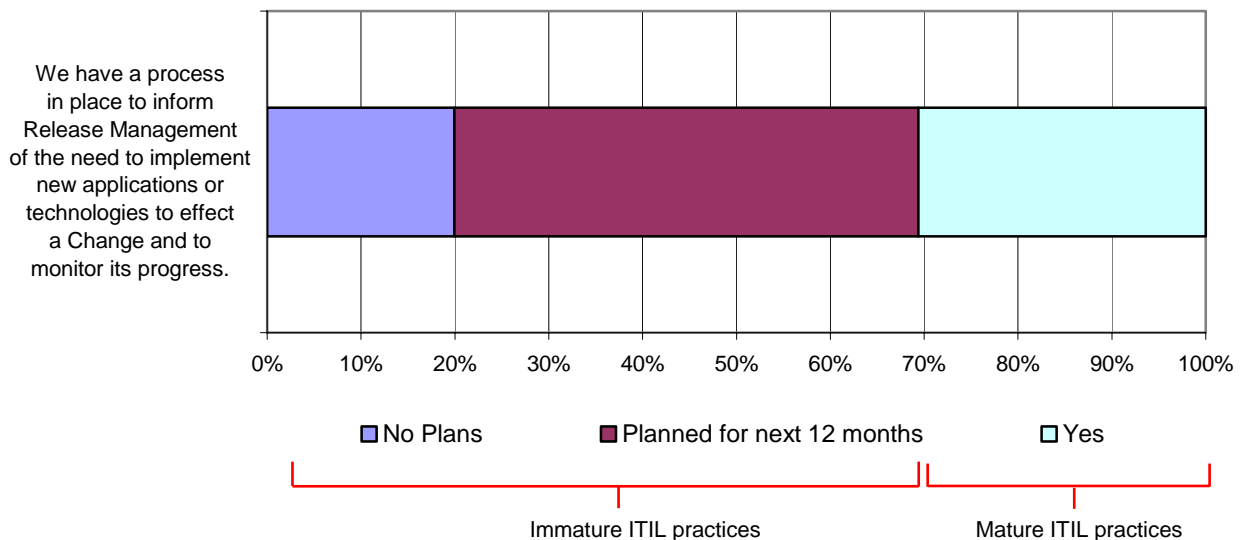
Finally, we drilled down further to get a sense of how mature the interfaces were among select ITIL roles. Respondents were asked to rate their organizations' status on the availability of a process to inform Release Management of the need to implement new applications or technologies to effect a Change, and the ability to monitor the Change's progress.

Roughly one-third percent of respondents indicated that their organization has a mature process in place (control, integration, and optimization), while about another third claim to understand the process but have not yet completed the implementation (awareness). The remaining third of respondents are still in the least mature stages of the process (absent or initiated).

Most organizations without this process plan to put in place in order to address the productivity loss and other costs associated with poorly managed applications changes.

Once again, the rating guide used in the previous questions was used here.

Please rate the following statement:



These results underscore the fact that ITIL adoption is an important element in efforts to align IT services with business needs. Many of our respondents recognize the potential that is provided by ITIL best practices for increasing the efficiency of managing mission critical IT resources and delivering those resources where and when they are needed. However, the data also suggest that much more work is necessary for organizations to fully integrate and unify processes in order to maximize the benefits from ITIL implementation.

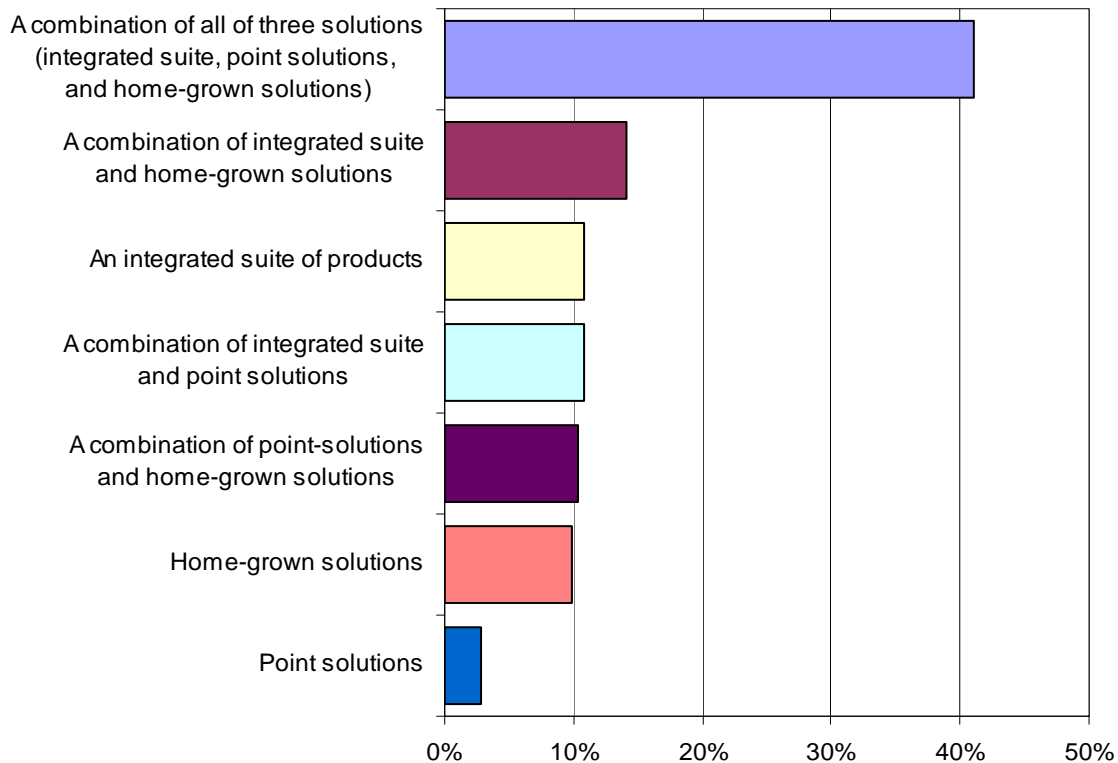
Implementation and approach strategies

In this section of the study, we were interested in how North American organizations implement ITIL-based best practices. We first asked respondents what types of solutions were in use or planned for use from a technology perspective.

Over 75 percent of respondent organizations rely on integrated suite-based solutions to support ITIL best practices. Among this group, over 40 percent are currently implementing, or planning to implement management processes using a combination of solutions, including employing an integrated suite of products, point solutions, and home-grown solutions. The remaining segments are using only integrated suites or integrated suites in combination with one other solution (point solutions or home grown solutions). Slightly less than one-fourth of organizations rely on home-grown or point solutions in combination or as stand-alone approaches to ITIL best practices.

These findings confirm that enterprises employ a full range of solutions to provide themselves with the broad set of management tools needed to support ITIL best practices. More importantly, the majority prefer solutions built around integrated suites, an apparent shift away from home-grown and point solutions.

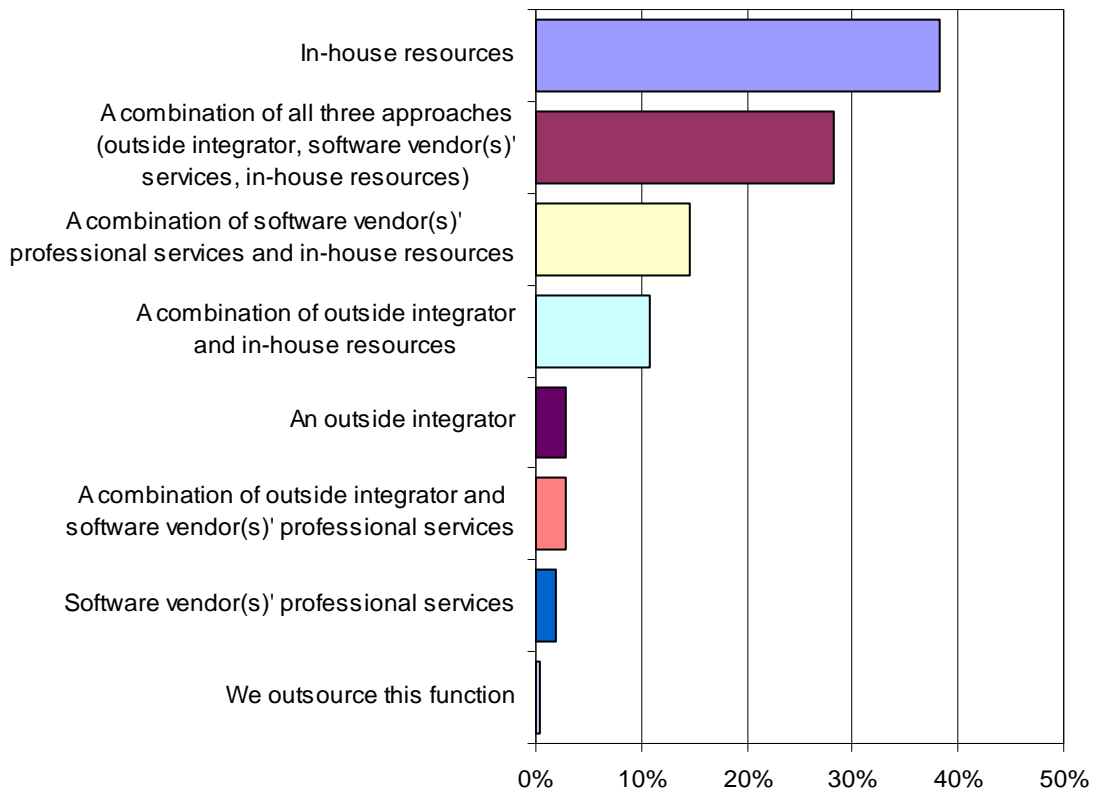
From a technology perspective what type of solution are you using to deliver these services?



Next, we asked participants what practical approaches they were using to implement ITIL best practices.

Nearly 40 percent of respondents are using in-house resources as their primary approach to implementing management solutions, followed by nearly 30 percent who use a combination of approaches (outside integrator, software vendor services, and in-house resources). This finding suggests that the majority of organizations prefer sole ownership and accountability over ITIL.

What approach have you used to implement these technologies?

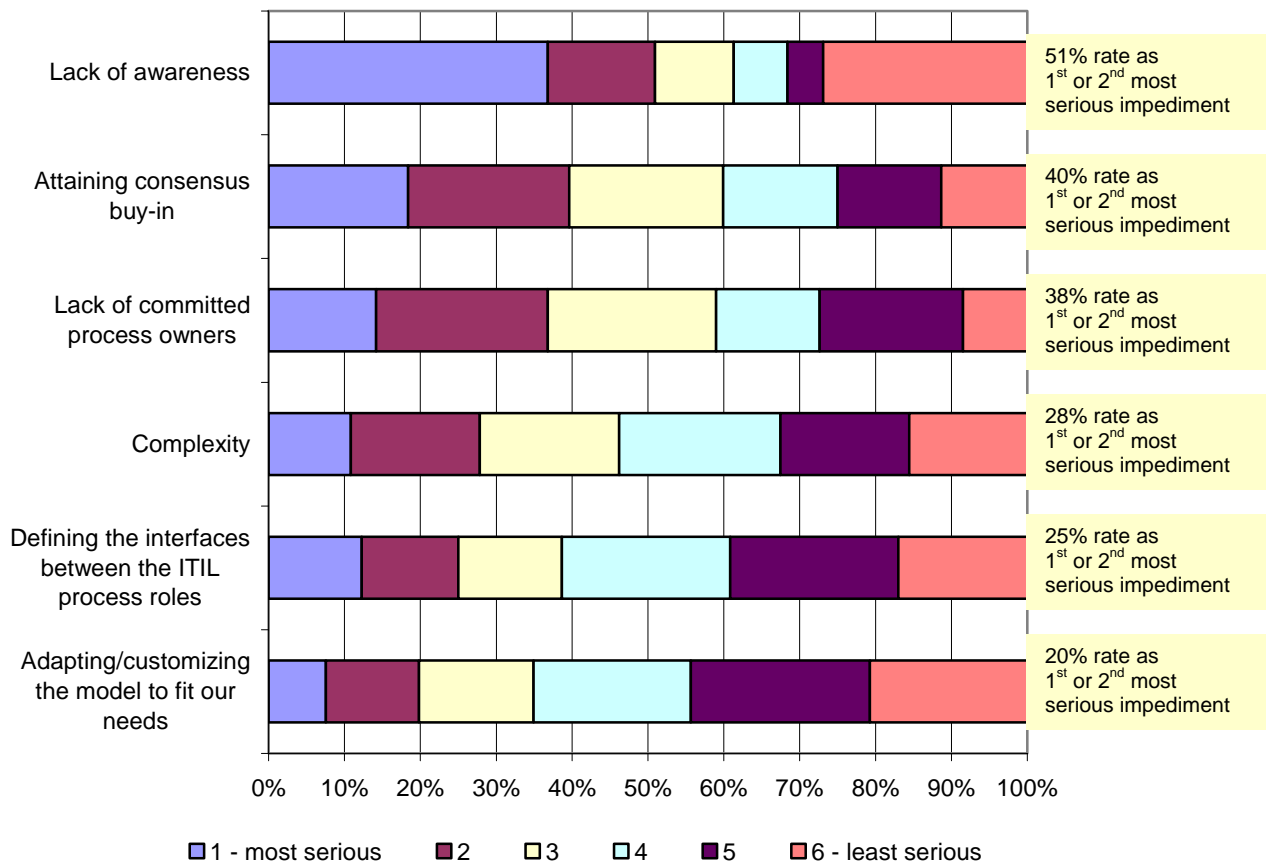


Impediments to adoption

In the next section of the study we looked at which impediments were currently interfering with the successful adoption of ITIL best practices. We asked participants to rate a number of potential barriers that included non-technical factors (e.g., lack of awareness of key decision-makers within the organization, difficulty in attaining buy-in, etc.), as well as technical considerations (e.g., defining the interfaces between ITIL process roles, implementation complexity, etc.). Respondents rated each impediment on a scale of 1 (Most Serious) to 6 (Least Serious).

Looking at the top ranked impediments to successful adoption of ITIL and the factors ranked least in seriousness, a clear picture emerges. Interestingly, the non-technical or management factors were deemed the most serious obstacles to ITIL adoption. Over half rated the lack of awareness as the 1st or 2nd most serious obstacle. The inability to attain consensus/buy-in was rated a serious impediment by 40 percent of participants, and 38 percent rated the lack of committed process owners as 1st or 2nd most serious factor. Far fewer considered technical issues as serious impediments—only 20 to 30 percent felt complexity, role interfaces, or adapting the ITIL model to specific needs seriously hampered the adoption of ITIL best practices.

Please rank the impact of the following factors which impede successful ITIL adoption in your organization.



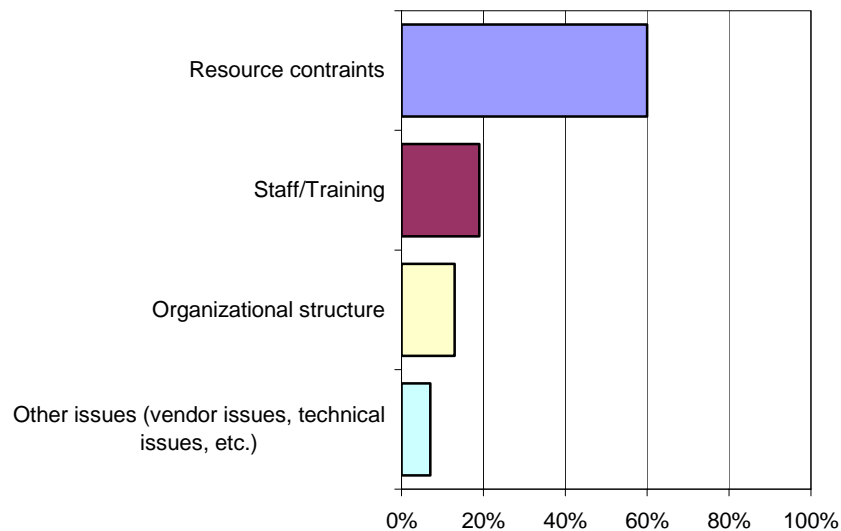
We also asked respondents to identify any other factors that they see as impediments to adoption of ITIL best practices for their organizations. They provided brief descriptions which were categorized by topic.

Resource constraints were most often cited as additional factors that impede successful ITIL adoption, followed by staffing/training issues, and limitations posed by organizational structure. Surprisingly, factors such as vendor and technical issues had minimal impact on decisions to adopt ITIL processes. This breakdown is consistent with the overall findings on impediments to adoption—management factors are more serious obstacles to the adoption of ITIL than are technical ones.

And it's no surprise that more than half of the additional reasons listed are attributable to shortages in cost, time, and other resources. Implementing ITIL is a one-of-a-kind undertaking that takes time and effort on behalf of employees throughout the organization. Successful implementation ultimately depends on a shift in the way the organization approaches ITSM. This includes full management and staff commitment and involvement, plus consistent and thorough training of staff and management—in other words, a cultural shift in the organization.

Another way to look at it—obtaining executive-level sponsorship and support will effectively eliminate the most serious obstacles to ITIL adoption. The major impediments cited by participants, lack of awareness, buy-in, and process ownership, along with resource and organizational constraints, are all within the CXO's control. Winning buy-in at this level could pave the way for successful ITIL adoption.

Are there any other factors that impede the successful adoption of ITIL in your organizations?



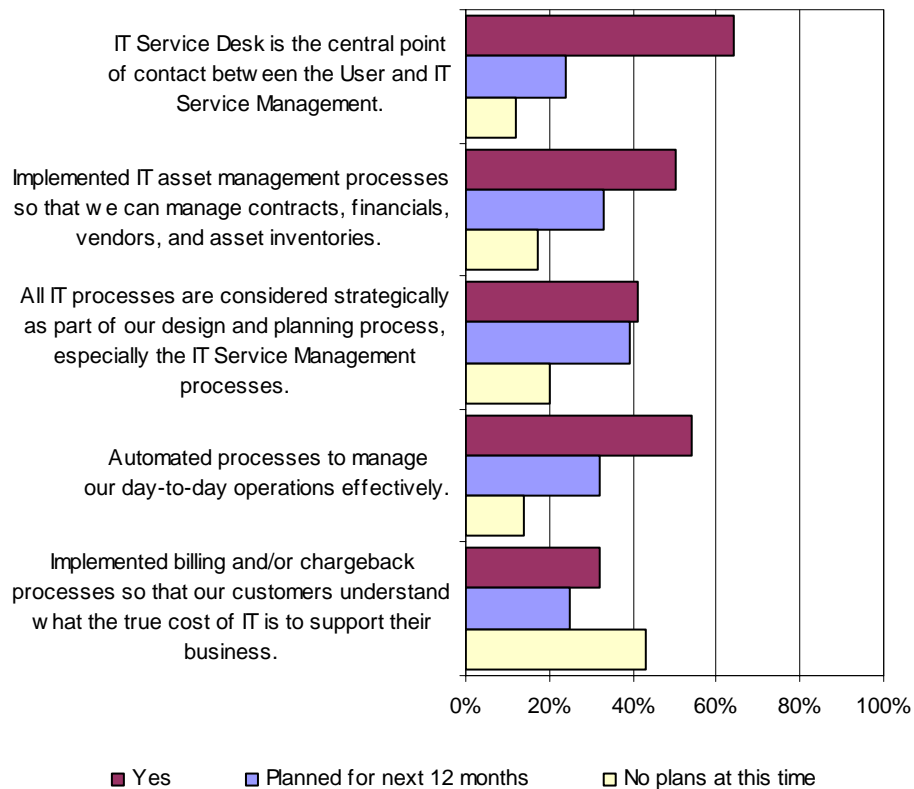
N=67; not all respondents were required to answer this question.

Utilization of IT management processes

In the final section of the study, we were interested in the degree to which organizations are effectively using management processes to perform a variety of activities related to managing IT services and resources. For each question, survey participants were asked to endorse a statement concerning whether their organizations currently perform a specified service or management task.

Below are the highlights from this section of the study, followed by a chart summarizing the responses:

- Most organizations have an IT service desk that acts as a central point of contact for the user and as an interface for other service management activities (64 percent), use automated processes in daily operations management (54 percent), have implemented IT service continuity management (53 percent), and have implemented IT asset management processes (50 percent).
- Many organizations currently consider all IT processes (especially IT service management) as a strategic part of their design and planning processes (41 percent), and still more (40 percent) will do so within the next 12 months.
- Nearly one-third (32 percent) of respondents currently implement billing and chargeback processes that enable customers to understand the true cost of IT support, while 25 percent of respondents are planning to have those processes in place within the next 12 months. Interestingly, most (over 40 percent) indicated that their organizations currently have no plans to implement billing/chargeback processes. Although most are not yet planning billing/chargeback processes, this finding should not be construed to mean that these businesses don't want or need to understand how their IT budgets are being consumed. It is more likely a reflection of the step-wise process by which organizations are tackling ITIL adoption.



These data show that the majority of respondent organizations, over 80%, have or will have ITIL processes in place over the next 12 months. Those organizations that have not yet begun planning for ITIL may soon find they are competing with organizations that are gaining a competitive advantage from the IT efficiencies and performance enhancements realized through ITIL best practices.

Overall, this study reveals that management of IT services and service delivery is an important function in successful organizations, and many are in the process of embracing ITIL technologies to more effectively align IT resources with business needs. While implementation of key ITIL-defined processes is still in the early stages for most organizations, it appears many are moving toward more fully integrated and optimized service delivery in the near future. A key barrier to overcome on the road to full adoption of the ITIL framework is convincing key decision-makers of the value ITIL brings to enterprise operations, and educating them about ITIL's contribution to increased business performance and competitive advantage.

Appendix

The following tables contain the breakdown of the respondents by key demographics: organizational size, job role, and primary industry.

Organizational Size

Number of employees (all locations combined)	Percentage of respondents
1,000 – 9,999	55%
10,000 or more	45%

Primary job role

Job role	Percentage of respondents
IT director and manager	24%
Developer	14%
Network or systems technologist	11%
Business management	9%
Technical service and support	9%
IT executive	6%
Other technical professionals	26%

Primary industry

Industry category	Percentage of respondents
Government (Federal, state, local, including military)	20%
Manufacturing	15%
Business services (computer-related)	12%
Finance, banking, and accounting	11%
Transportation, communication, and utilities	8%
Education	7%
Health care, life sciences, and pharmaceutical	7%
Real estate, legal, insurance	7%
Retail	6%
Business services (noncomputer-related)	5%
Technical/Basic R&D	1%
Architecture, construction, engineering, and mining	1%

CNET Network's TechRepublic Community Research Programs

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