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Trends 2005: IT Service Desk

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EXECUTIVE SUMMARY

In service desk circles, 2005 may well be the year of ITIL. The UK-based IT Infrastructure Library, a set of IT standards, will continue to be the hot topic at IT service desk conferences, and every new release of service desk software stresses ITIL compliance. Embracing best practices is always helpful, but IT management must make sure that ITIL is not seen as a panacea. More complex products and features are shipping in late 2004 and early 2005 that will provide strategic tools for service desk management. Companies shopping for software should evaluate some surprisingly rich offerings from midmarket vendors, along with the usual suspects at the enterprise level.

SERVICE DESK MANAGEMENT THINKS STRATEGICALLY

From more complex reporting to adopting standards to working with service providers in order to better address the needs of customers, IT service desks are finally moving out of a pure reactive existence and are beginning to do more strategic thinking and planning. Coupled with more robust software offerings, IT management is poised to better anticipate and meet the needs of business customers.

Key Drivers Changing The IT Service Desk Landscape

There are some key forces behind the changes that will characterize the IT service desk market in 2005. These major drivers include:

- **Standards are a hot button.** Customer expectations for IT have risen, as has IT accountability, in this age of “outsourcing solves everything.” IT management has grown increasingly interested in benchmarks and metrics, only to find that few standards exist and few products are currently offered to make metrics tracking easy.
- **Balancing cost versus quality.** Early service desk outsourcing projects were solely focused on cost cutting. Many of these early projects had less than desirable results, with service levels slipping and hidden costs in contracts, or often no internal cost benchmarks to use as a comparison. This made outsourcing more expensive than anticipated. Companies that are now planning service desk outsourcing projects are more strategic and place more emphasis on service quality.

- **Functional requirements grow in complexity.** Standalone case tracking isn't enough anymore, even for departmental service desks. Service desk management looks increasingly for more capabilities from a single vendor, including some asset and change management functionality, knowledge bases, complex reporting, and remote control. Midmarket vendors are beginning to offer suites that look more like enterprise-level products, giving buyers more options for comprehensive service desk packages.

Trends to Watch In IT Service Desk

Because of these key drivers, four significant trends to watch in 2005 include:

- **ITIL crosses the Mississippi.** ITIL has seen rising adoption in Canada and on the East Coast of the US, but it has had very little visibility across the rest of North America. In the past six months, ITIL fever seems to have struck. The ITIL buzz at the Help Desk Institute conference this year was huge, and every service desk vendor of any standing is releasing an ITIL-compliant or ITIL-certified version. In 2005, expect to find widespread ITIL adoption across North America, with multiple vendors appearing to offer ITIL crash courses for service desk management. Because some unscrupulous providers will quickly see this as a means for easy profit, consumers should check references and verify the training and certification of the instructors before enrolling in any ITIL courses.
- **Service desk outsourcing: not “if” but “which part?”** When it comes to outsourcing the IT service desk, the question is no longer whether to do so, but rather which piece of the operation makes sense and how the change management issues surrounding an outsourcing decision should be dealt with. This shows a shift from outsourcing purely as a tactical cost savings project to placing more emphasis on streamlining customer service for corporate employees and resolving desktop, networking, and application support as efficiently as possible. Expect more creative approaches to outsourcing in 2005, with service desks more clearly defining the roles of Levels 1, 2, and 3 and then working with service providers to find the ideal mix of internal and outsourced operations to meet both cost and quality objectives.
- **Analytics for the service desk.** Although analytics have been all the rage in CRM for several years, the analytics bug is finally biting in the service desk arena. Computer Associates, PeopleSoft, Remedy, Siebel, and even some niche vendors like Sigma Dynamics are releasing new modules with graphical displays of analytics for granular root cause analysis and cost reporting by division, product, etc. These CIO-ready reports will better enable IT to make strong business decisions without spending days playing with homegrown databases and Excel spreadsheets.

- **Midmarket products grow up, driving down prices.** The most significant vendor events in the service desk arena in 2005 may not be from the enterprise-level players, but from the midmarket. The release of FrontRange's HEAT in late 2004 could change the player list for enterprise service desk. This new suite, on a .NET platform, includes surprisingly complex functionality across incident, problem, and change management, all for a single price. The most recent versions of FootPrints from UniPress have also expanded capabilities and scalability benchmarks to meet the needs of larger service desks. With this much capability available for half the list price of enterprise vendors or less, expect the overall deal size of service desk software to go down.

RECOMMENDATIONS

IT'S TIME TO IMPLEMENT BEST-OF-BREED SOFTWARE AND PROCESSES

- **Beware: The emperor is scantily clad.** "Service desks are so complicated they had to develop a standard!" is a common thought among managers. At its best, ITIL provides an intelligent approach to common IT service desk problems. At its worst, ITIL mania is a way for troubled service desk management to show how complex its job is. Standards are good when trying to identify best practices but when all that some vendors have done is change feature names from "case tracking" to "incident management" to embrace ITIL, don't expect the standard to solve all of your problems.
- **Complex, referenceable capabilities available.** Companies that are struggling to decide when to buy service desk software should make 2005 the year. Not only will there be more options with more features for better prices, but some capabilities introduced in 2004 will also have proven references available. Examples include Computer Associates' analytics module and the BMC/Remedy packaged integration.
- **If you aren't doing root cause analysis, start to do so.** Understanding why people call the service desk, and what it costs to support each issue, is critical information to enable the prioritization of expenditure on new hardware, software, and processes. Yet few companies that Forrester speaks with have solid root cause analysis reporting in place. With more complex reporting available from service desk vendors and from specialists such as newScale, stop making guesses and compile some factual numbers to work from.