White Paper

Service Providers and IT Service Management Solutions: Top Five Considerations for an Informed Decision

As technology evolves and customers' requirements continue to shift, all areas of IT are impacted. For service providers, there is a lot of pressure coming from end users, customers, and the business to radically improve one critical area: the service desk. In order to meet expectations and drive high customer value, service providers are going to need an IT service management (ITSM) solution that improves the customer experience, IT agility, and profit margins. This guide provides an understanding of the top five current expectations and issues that should be foremost in mind when assessing the ITSM market.

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It's About Experience, Agility, and Margins

The state of IT is in continual flux. With digitization and globalization forcing businesses out of their comfort zone, new competitors entering the market, and disruptive technologies continually changing the game, organizations must adapt and innovate to stay competitive. That involves modernizing through technology and leveraging new capabilities that boost speed, agility, and cost savings.

The service desk is one area that is ripe for modernization. And service providers responsible for IT service management must provide greater value to their customers through ITSM enhancements that enable a modern user experience, while also delivering improved productivity, cost savings, innovation, and competitive edge.

As more millennials enter the workforce, the trend toward user-centricity will only intensify. This new generation of workers is accustomed to anytime, anywhere, and any device access to information and resources. They're also absolutely clear about the experiences they're looking for at work, and that includes the support process.

Modern ITSM has evolved to meet many of these expectations through advancements in personalization, automation, AI, and more. Service providers are under pressure to put these features into practice. They are also likely to see their client lists grow, especially as new regulations put restrictions on data storage and locality, and businesses increasingly outsource the service desk to regional service providers.

The Dilemma of Choice

With more than 400 different ITSM tools on the market today, making a choice about the right solution can be daunting. Service providers ideally want a solution that drives immediate results and long-term value for their customers as well as their own business. There is much that factors into this decision. Providers must invest in hosting platforms, customer acquisition, and maintaining the solution for their customers. They also want to be sure that the relationship with their preferred vendor is solid—and that the vendor continues to invest in the product, thereby continually bringing new innovations to market.

Five Criteria for Selecting the Right ITSM Solution

Right now, while much of the focus is on creating user-centric solutions that rely on a modern and intelligent ITSM feature set, other issues—like multi-tenancy, flexibility, platform integration, transparency, and, of course, resulting margins—should be considered as well. Before making a choice about the right ITSM solution, factor the following five key criteria into the decision-making process.

1. Deliver and Delight

Service providers must offer solutions that deliver the consumer-like digital experience that end users expect today. Machine learning, analytics, intelligent automation, and personalization are all important components of a modern ITSM solution that can solve issues and make the service desk experience as intuitive, seamless, and convenient as possible. The future of IT is intelligent and automated. Smart service management should hone in on several key components:

- **User experience—**Deliver a true customer-focused digital experience, from beginning to end, where end users are also significantly more self-sufficient. Delight customers by iterating with them on a system that they can configure live. And provide a powerful, yet simple, user experience that customers will want from the moment you show them.
- **Agent productivity—**Service desk agents have much to do and not a lot of time. That's why it's important to focus their efforts. Instead of addressing issues as they come in on a first-come, first-serve basis, deploy solutions with intelligent automation that can prioritize issues based on impact. Similarly, create advancements at the service desk that speed onboarding processes from weeks or months to hours or days. Boost the productivity of service desk agents and empower them to deliver higher value.
- **Configurability—**Customers are looking for a balance of best-in-class, out-of-the-box functionality and the capability to further configure and develop features as needed. Full coverage of all details behind ITIL processes are demanded. Yet the service desk tool must also offer configuration freedom—to extend to new non-IT use cases or address the particular way an organization manages its use cases and customers. Customers must also be able to configure quickly, with minimal skill required, and in a manner that doesn't impact upgrades.
- **Fast time-to-value—**Service providers want to be able to quickly and flexibly deploy ITSM where it makes the most sense for their business, their customers, and the security of their customer's data. They need systems that are quick and easy in terms of proof-of-concept (POC) and eventual configuration. A flexible ITSM solution will accommodate a broad range of disparate needs and help providers more effectively manage risk.

2. Serve Customers and Increase Margins

For service providers to become trusted partners, they must truly know their customers. It means understanding their desired business outcomes, the nuances of the business, and their particular needs. It also implies accountability from a security standpoint. Data residency is a serious consideration, as

Advantages of Multi-Tenancy for Service Providers

- More efficient use of resources
- Easier installation, updates, and maintenance
- Cost-effective solution
- Scalable performance
- Improved customer service

some organizations must keep data in-house or in-country. Data security and management is also top of mind, as organizations are looking for flexibility in managing data access models (ie controlling access by function, LOB, role, etc.).

To ensure that an ITSM solution is meeting customer requirements and expectations, service providers must have freedom to host the ITSM solution where it makes the best sense, based on customer requirements. They should have the flexibility to choose what infrastructure to use for any given situation. If the service provider has its own data center, they should be able to easily run ITSM from there. Or if they do not have a data center—or their clients prefer the public cloud—that, too, should be an available option. Likewise, if a client's hosting strategy changes, the service provider must be able to switch between hosting platforms without any complication for the client—and they can only do that if the technology they're working with allows that flexibility.

At the same time, the solution must also be advantageous and profitable for providers in the sense that infrastructure costs are optimized—the solution can scale when necessary and providers pay only for what they need; administration—configuration, updates, etc.—is simple; and licensing and charging models are straightforward and fair.

3. Create Efficiencies through Multi-Tenancy

For service providers, the multi-tenant architecture of a solution is extremely important because it helps lower costs through economies of scale while also increasing the provider's operational efficiency. Providers can manage many different customers—or tenants—on a single platform, while providing secure data and metadata isolation. They can also easily move tenants from one system to another.

An ITSM solution running on a multi-tenant platform is also beneficial for customers, too, because the costs are typically lower than if they were provided through a dedicated infrastructure. The public cloud, when used to host the solution, adds another level of visibility as tenants pay only for what they use.

Service response times may also improve under a multi-tenant architecture. If, for some reason, service is disrupted, all tenants are typically impacted. Thus, a managed service provider will respond immediately to resolve the issue. If the same issue occurs in a single-tenant environment, the provider may have to prioritize how and where to focus response efforts, which could lead to delays and poor service quality.

4. Simplify through a Common ITOM Platform

IT service management is much more than a service desk and, as such, should not be run in a silo. Along with other IT operations management (ITOM) capabilities such as cloud and event monitoring and management, ITSM is a pivotal part of ITOM. Some service providers have opted not to provide comprehensive ITOM services as part of their offering. This may be due to a lack of resources or because of high costs traditionally associated with investing in separate ITOM sub-domains.

Providers today, however, can easily solve resource and cost issues with solutions that are built on a common ITOM platform. This ultimately lowers the total cost of ownership (TCO) and optimizes resource utilization. ITOM solutions are built on top of the platform and use shared services for task and process automation, artificial intelligence, configuration management, and reporting—all of which enables greater agility and flexibility as different solutions are adopted. By building solutions on a common platform, service providers can also standardize deployment and simplify operations through common update, upgrade, and scalability procedures.

5. Enable Full Transparency and No Vendor Lock-in for Customers

While the goal of the service provider is to build, serve, and retain contented customers, that also involves recognizing the customer's need for transparency and strong desire not to be locked into any one solution. Customers are cautious. They don't want to be stuck with software that no longer serves their needs. If a service provider implements a major product change that doesn't work for the customer's business, or if their preferred service provider is acquired by or merges with another, customers want the ability to opt out—with few ramifications. It, therefore, behooves service providers to be completely transparent and to use technology that avoids vendor or service provider lock-in. Customers will certainly appreciate knowing they have a choice and could, if needed, switch providers with minimal cost and technical implications.

Simplify the Choice with Service Management Automation X

One solution on the market today that is helping providers actively address these five criteria is OpenText™ Service Management Automation X (SMAX). Supporting IT and enterprise service management, and IT asset management, SMAX is built from the ground up to include machine learning and analytics. It can be deployed on premises or in the cloud—or moved from one to the other as business conditions change. The following highlights how OpenText™ SMAX matches up to the five criteria mentioned above.

Breadth and Depth of Capabilities

SMAX includes a modern feature set with a breadth and depth of capabilities that include a centralized web portal, smart self-service, and social collaboration tools that reduce ticket traffic and improve customer satisfaction. Providers access out-of-the-box, best practice service management processes designed for analytics and machine learning. Codeless configuration of out-of-the-box and user-defined processes enables seamless and less expensive updates—as well as immediate access to new features. Plus, flexible deployment options on-premises or in the cloud make it easier to accommodate different hosting preferences and customers' changing needs.

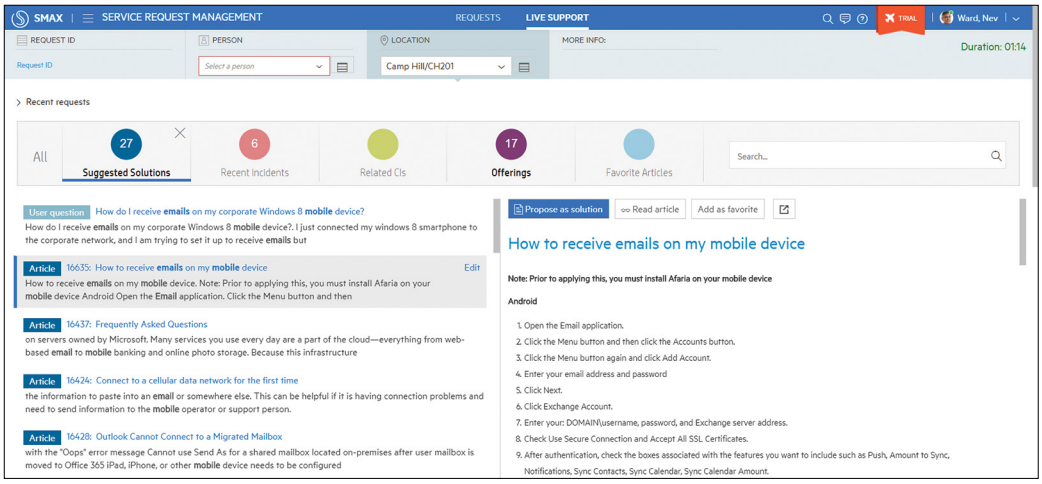

Figure 1. SMAX automatically suggests solutions and offerings to the support agent, helping resolve issues faster

Freedom to Serve Customers and Maximize Margins

SMAX uses a container-based architecture for easy deployment on bare metal, virtual machines, or in the public cloud (AWS, including availability through the AWS Marketplace, Microsoft Azure), and Google Cloud with managed Kubernetes). Service providers can easily host SMAX as a service from their data center or in the public cloud. Regional service providers can better help their customers meet data sovereignty and security mandates required by native countries, regions, or industries.

Through containers and microservices, OpenText™ can provide SMAX releases quarterly. In-place updates with minimal downtime allows service providers to update the solution on a regular basis, seamlessly providing customers with new capabilities and innovations. SMAX comes with built-in scalability, which allows auto scaling at both the node and pod level, and reusable microservices and REST APIs.

True Multi-Tenancy

SMAX supports deployment of multiple tenants per installation that can be used for development, test, or production environments. It can also be used by service providers to host environments for multiple customers within a single installation.

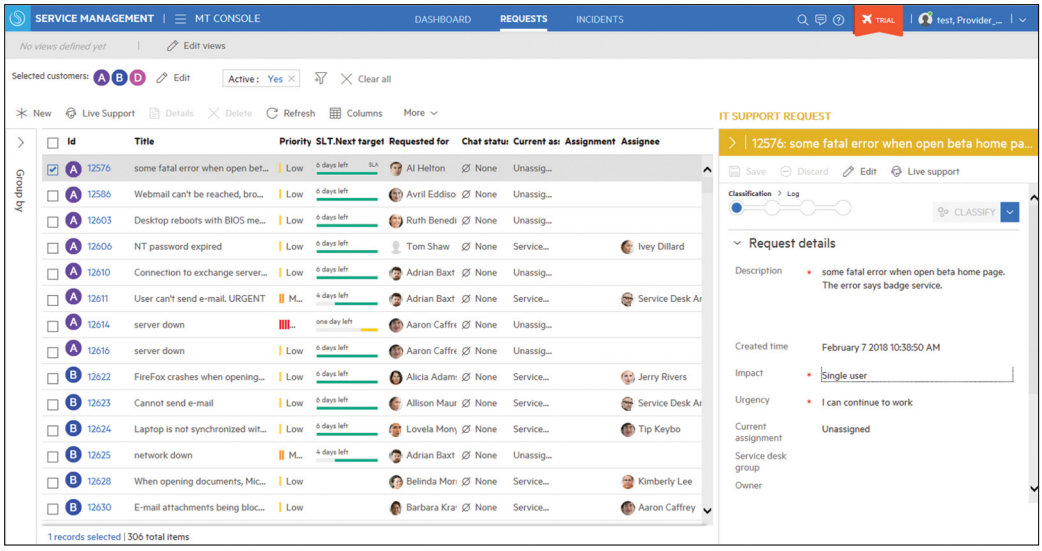

Figure 2. SMAX multi-tenant console increases system administrator's productivity

The multi-tenant console provides a single, consolidated view of all requests and incidents that originate from different customers or LOB tenants. Agents can prioritize and access all their managed customers from this single console without requiring them to logout and login to each one separately, which dramatically increases efficiency in day-to-day operations.

First ITOM Platform

SMAX is built on a containerized platform designed with the speed, agility, and intelligence required to power modern hybrid IT operations at the speed of DevOps. The ITOM platform extends the benefits of containerization—flexible deployment, rapid and dynamic scaling, and simplified maintenance—across a wide range of modern, intelligent, and best-in-class microservices.

Shared services like ChatOps, discovery, configuration, orchestration, and business value dashboards are selectable, composable, and tied together with our industry-leading analytics and machine learning engine. As a result, customers can connect tools and views to create actionable business insights and end-to-end orchestrated workflows.

Further, the OpenText ITOM platform is a foundation for a modern development community of partners and customers to easily create new apps and services, and to extend and connect OpenText ITOM solutions.

Flexibility to Accommodate Change

A French service provider implemented the OpenText ITSM solution in AWS for a large retail customer. After Amazon acquired **Whole Foods Market,** the retailer did not feel comfortable running its ITSM solution on a competitor's platform, and requested to stop using the AWS infrastructure. Because of SMAX's flexible hosting capabilities, this service provider was able to quickly and very easily move the tenant to Microsoft Azure.

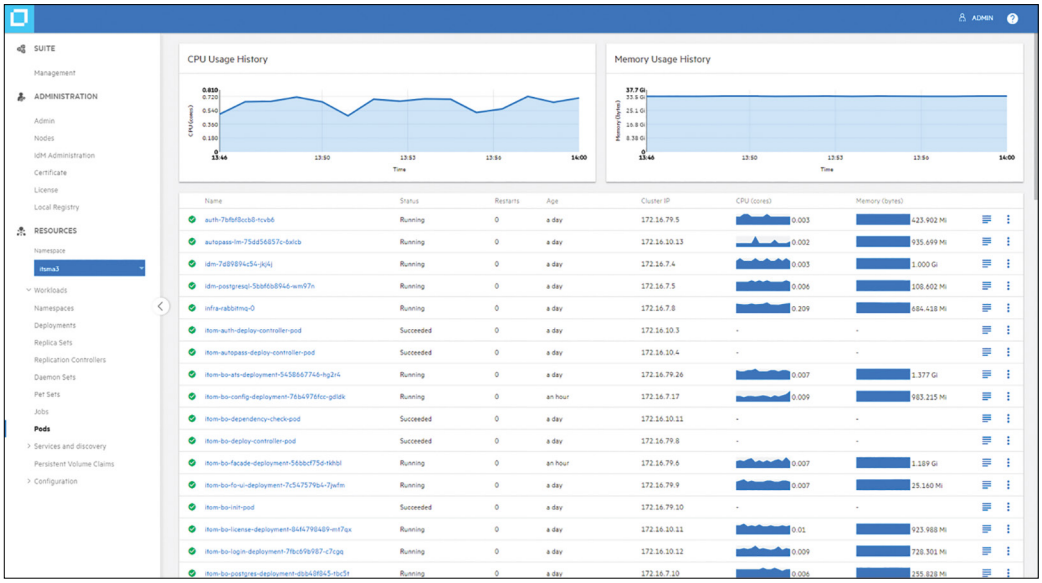

Figure 3. ITOM platform and SMAX can be quickly installed with pre-integrated containers

Complete Transparency—with No Customer Lock-In

The deployment flexibility and multi-tenant capabilities inherent in SMAX offer service providers great ease and control on the back end to address customers' changing requirements. If a customer needs to switch providers, removing or exporting that tenant—including all data and customization—involves a simple press of a button. Likewise, it's just as easy to move a customer—or tenant—from one system to another. Providers simply export and then re-import the tenant. This flexibility is appreciated by customers who want to know exactly what they're getting into and do not want to be locked into any one solution.

OpenText Program for Service Providers

OpenText offers Service Providers different charging and licensing models:

Dedicated perpetual—Perpetual licenses offered to service providers for a single, dedicated, named user.

Subscription—Allows service providers to flexibly consume and pay for licenses. Subscriptions can be single-user (named up-front) or multi-user based (multiple customers can be served with a single license). Licenses are valid for 1 or 3 years.

Pay-per-use—In this model, licenses are valid for 12 months.

Make an Informed Choice

It's time to look beyond mere costs or service-level metrics when it comes to finding the right ITSM solution. Consider what kind of technology will ultimately make your customer and their users more contented and productive on the job. Consider the flexibility needed to serve multiple customers effectively. Consider the pros and cons of operating ITSM in a silo versus one common, integrated platform with other ITOM functions. Ultimately, consider the five criteria proposed in this white paper, keeping in mind what it's going to take to best add value to customers not just today, but as the business moves forward amid continual change.

Learn more at
www.microfocus.com/itsm
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Solution Requirements for Service Providers

Improved margins through optimized infrastructure costs, multi-tenancy, easy admin, simple licensing and charging models.

Improved agility for fast and flexible customer and service onboarding.

Improved end-user experience from beginning to end with a truly customer-focused solution.

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OpenText CEO Mark Barrenechea's blog

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