

IDC MarketScape

IDC MarketScape: Worldwide IT Service Management 2020 Vendor Assessment

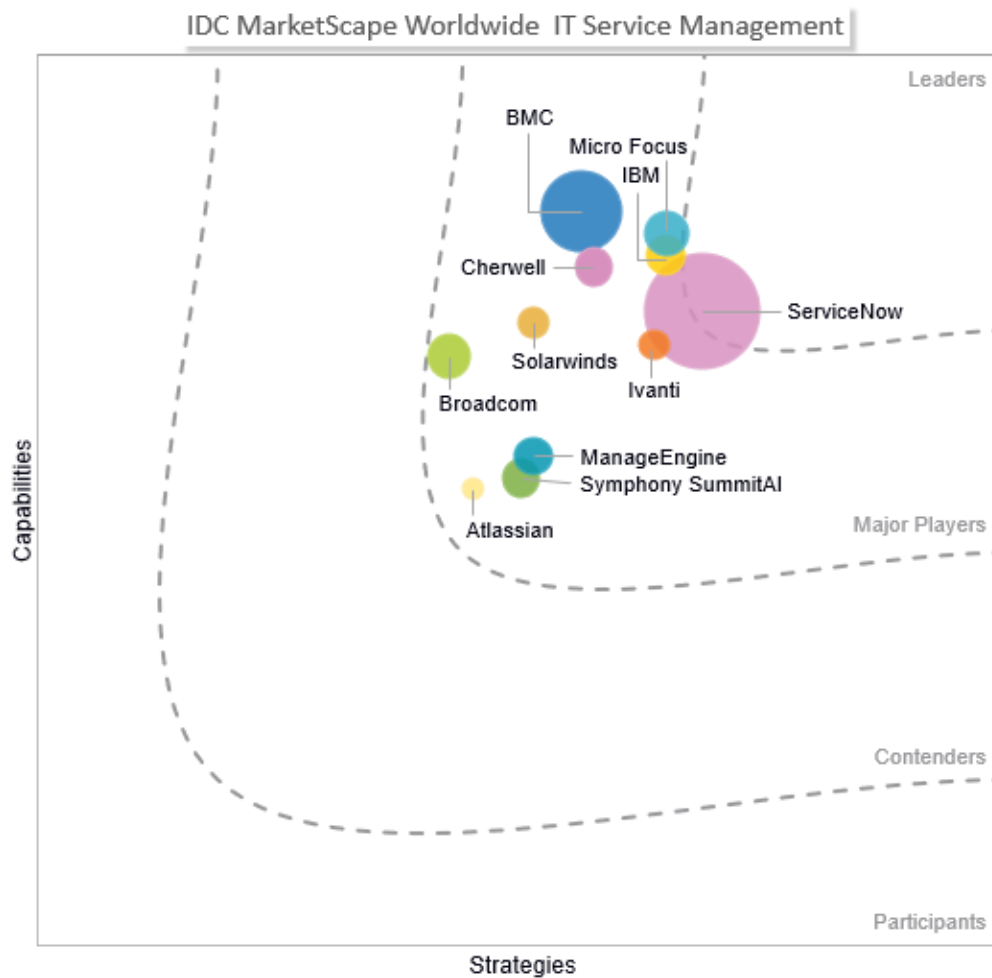
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THIS IDC MARKETSCAPE EXCERPT FEATURES MICRO FOCUS

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide IT Service Management Vendor Assessment



Source: IDC, 2020

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

## IN THIS EXCERPT

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The content for this excerpt was taken directly IDC MarketScape: Worldwide IT Service Management 2020 Vendor Assessment (Doc # US46111920). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

## IDC OPINION

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IT service management (ITSM) software has evolved in the past few years, transitioning from incident and request ticket recording systems into complex interactive applications that leverage digital assets to perform work across enterprise boundaries.

This transition was driven by enterprise requirements, with even the early ticketing systems in the 1990s being leveraged to route and manage work for field services, human resources (HR), and project/program management offices. The underlying mechanism for this evolution is discussed in several IDC research documents (see the Related Research section).

In IT service management, this evolution has recently split down three distinct paths. Along the first path, the company focuses on one aspect of service management (asset management, business management, incident/request management, etc.) and then leverages that data to support the other aspects in an integrated manner. Along the second path, the vendors have created work management systems, also called workflow management, which describes work in discrete units and then either acts on that work unit or routes it to a human for action. Along the third and most recent path, vendors use emerging artificial intelligence (AI)/machine learning (ML) techniques to make sense of the enormous amount of data created by the modern digital (cloud, datacenter, edge, IoT, etc.) estate, organize that data into work, then route that work based off of further AI/ML analysis to the correct resources.

This split creates a great deal of confusion in the marketplace as each vendor vies to meet a vast array of requirements using definitions drawn from service management methodologies but with unique twists. It also means that there are a wide range of vendors that are uniquely placed to meet the customer at many places along the digital transformation journey.

This also dynamic places two new burdens on customers:

- There is a need to become highly aware of what capabilities customers require to do business today and in the short term (one to two years) as well as plan for what capabilities they need in the next cycle. This discipline is more difficult than the regular "strategic planning" exercises demanded by the traditional business cycle; it requires deep group introspection, the creation and maintenance of group identities, and a keen awareness of how the market and the enterprise will evolve in the next few years.
- There is a need to regularly evaluate and, if necessary, shift vendors and vendor mixes. This is particularly relevant when the vendors are leaning heavily on the creation of artificial cognitive skills. That field is evolving quickly, and individual vendor choices will begin go drive wide variances in product/platform capability.

## IDC's Definition of Enterprise Service Management Within ITSM

Many vendors in the IT service management space have begun to market "enterprise service management" ("ESM") as part of their solutions. ESM is varyingly defined as applying IT service management methods to departments outside of IT, using a centralized help desk similar to a shared services organization to manage user cases, and providing a knowledge portal that contains information about IT and non-IT requests. Each of these is an interesting, but eventually insufficient, definition.

IDC's current working definition of ESM in the ITSM market is:

The coordination of digital and human assets and effort across the enterprise to deliver defined and desired outcomes enabling the enterprise employee experience.

This is generally accomplished through a combination of contact center, workflow automation, and artificial intelligence technologies and the application of core concepts from the IT service management methodologies, which were originally borrowed from business operations science and process engineering.

When a vendor attempts to enter the enterprise service management market, it is taking on a responsibility beyond managing processes. The vendor is, in effect, asking to become the de facto operations platform for the customers. This role requires a deep partnership between a vendor and a customer, one which is difficult to form under existing software licensing agreements.

### *IDC's Understanding of the Relationship of Workspace Within ITSM*

As discussed in *Intelligent Digital Workspaces: Enabling the Future of Work* (IDC #US45716919, January 2020), the complex world in which today's enterprises operate has moved beyond the point where purpose-built applications and generic desktops can coordinate. Employees and teams need tools that help organize the results they need to deliver, enable key behaviors that will aid them in that delivery, and provide access to resources (including digital employees) as required.

ITSM vendors are positioned to provide this workspace for both IT (ITSM) and the broader enterprise (ESM) but have only just started to rise to this challenge. Strategic and doctrinal analysis indicates that the vendors do not yet consider themselves workspace vendors, or if they do, they do so through the narrow lenses of case, incident, or knowledge management. Some vendors are closer to this breakthrough than others, but most vendors will take another two to three years before their understanding becomes practical.

## IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

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The vendors included in this IDC MarketScope were selected to represent the vendors that make up the top 90% of revenue in the ITSM market and that provide at least two or more core functions from among asset management, business management, change/release management, event management, incident/request management, knowledge management, and problem management.

The vendor list was further refined through a review of incoming customer strategy and contract review inquiries to determine which vendors appeared most frequently in active deals over the past 24 months. This review was enhanced with an evaluation of publicly available RFP response lists, especially for governmental contracts.

No preference for inclusion was given to vendors based on hosting of the solution (on premises or cloud), the architectural approach (a suite of products or an integrated platform), or the technical approach (ticket routing, workflow, artificial intelligence/machine learning).

## ADVICE FOR TECHNOLOGY BUYERS

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IDC's review of the market context, buyer preferences, contract management and negotiations, and available platforms suggests that IT executives should consider the following when investigating an IT service management solution:

- The ITSM market is rapidly evolving to finally deliver on the requirements placed on it in the early 1990s. Many vendors have limited their strategic vision to this change, missing out on the broader changes to business, society, and technology taking place today.
- Vendors should strongly consider whether a *workflow-oriented system* or an *AI-oriented system* is more appropriate for the targeted level of technical complexity. Workflow-oriented systems (platform or product) are ideal for automating well-understood repetitive tasks with known outputs. AI-oriented systems are ideal for high-complexity environments with ambiguous tasks and a high level of digital signal. Although most vendors are trying to implement both systems, vendors' orientation over time imposes systemic limitations on their implementations. This point is particularly important in the current environment, where AI/ML is rapidly evolving and seen as a panacea for the ills of a highly disengaging work environment. Workflow-oriented systems will remain ideally suited for many businesses, regardless of the hype. Choosing an orientation based on marketing will lead to a fundamental mismatch in capabilities, which will greatly increase the chance of an unsuccessful implementation.
- IT service management tools are historically "sticky," are relatively easy to implement, have a high barrier to exit, and are increasingly expensive to change over time. This last point, the "system cost of change," is a key component in both vendor lock-in and the steadily decreasing ROI of these systems over time.
- When considering these systems, especially in the context of the cost of change, the buyer should be aware that this cost of change is asymmetrically assessed, often in large cost increases during the renewal period *in addition* to the cost of development, maintenance, and support of the associated systems. Careful attention should be paid to renewal terms built into these contracts, and, if possible, steps should be taken to prevent large cost increases.

## VENDOR SUMMARY PROFILES

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This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

### Micro Focus

According to IDC analysis and buyer perception, Micro Focus is positioned in the Major Players category in the 2020 IDC MarketScape for IT service management.

#### *Strengths*

The Micro Focus Service Management Automation X (SMAX) containerized platform is a reimagining of the original Service Anywhere toolset with a modern architecture and a focus on collecting and

labeling data to enable the creation and continuous operations of discrete artificial cognitive skills (AI/ML). Micro Focus has combined this reimagining with a simplified licensing scheme and a full spectrum of ITSM asset, change, incident/request, and problem management capabilities.

Customers cited SMAX's flexibility, rapid implementation, and data integration as key features of interest, along with the rapid pace of new AI skills being brought to bear in practical scenarios.

The strong AI focus of the SMAX suite suggests that the company will rapidly develop the ability to manage opportunities (business value emerging from the chaotic work environment) as well as incidents/requests. This is a critical capability for workspaces in the future of work, but not one that has yet been successfully implemented on a broad scale.

## **Challenges**

The speed of implementation and change in the system is appropriate for a modern platform, but it also poses a challenge to organizations that have not yet adapted to control the rate of change in modern SaaS environments. In addition, customers have indicated that, although the platform is highly capable, it is still too new to have a highly experienced group of partners that can fully support complex implementations. Micro Focus is actively attempting to address this second point, but it will take time and multiple efforts to build experience in the delivery ecosystem.

Further, Micro Focus' platform is more capable in delivering on digital transformation than their current thought leadership approach indicates. The company is still evolving from a provider of software into a digital operations enablement business partner. This does not position the company to help guide other companies along the transformation journey. All assessed indicators point toward the company successfully completing this journey over the next few years.

## **Consider Micro Focus When**

Customers should consider Micro Focus when they want to migrate from their existing ITSM/ITOM solution into a modern platform and when they have sufficient innovation and visionary skills to adapt the platform to the future of work.

## **APPENDIX**

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### **Reading an IDC MarketScape Graph**

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

## IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

## Market Definition

IT service management software discovers, tracks, records, and manages configuration, incidents, problems, assets, and information related to IT end users, devices, infrastructure, and operations. This category includes IT help desk applications, IT asset management and discovery systems, resource tracking, credentials management, and related problem determination and resolution applications, including knowledge bases. This category is separate from externally focused problem resolutions solutions within customer relationship management to the extent that IT infrastructure library (ITIL) and IT service management-based solutions help in the resolution of problems as well as preventative activities such as root cause analysis. Those functions are included here as well.

## LEARN MORE

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### Related Research

- *Intelligent Digital Workspaces: Enabling the Future of Work* (IDC #US45716919, January 2020)
- *IDC's Worldwide Software Taxonomy, 2020* (IDC #US45718419, January 2020)
- *IDC PlanScape: IT Service Management and Digital Transformation* (IDC #US45596919, November 2019)
- *IDC TechScape: Worldwide IT Service Management, 2019* (IDC #US45026919, May 2019)

## Synopsis

This IDC study uses the IDC MarketScape vendor assessment methodology to evaluate vendors in the evolving IT service management market. These vendors have made the transition from providing simple ticketing systems suitable for incident and request management in IT organizations to business process and workflow portfolios or platforms capable of organizing digital and human assets to deliver a defined outcome. Many of these vendors have integrated artificial intelligence (AI)/machine learning (ML) either to augment their existing workflow products or as the core of the platform's capabilities. These tools are still plagued by high switching costs and total cost of ownership over time.

"IT service management vendors are at the forefront of digital transformation, progressively adopting principles of service design and management, which enable organizations to adapt to the shifting balance between structured work and emergent work," said Shannon Kalvar, research manager, IDC's

IT Service Management and Client Virtualization Program. "This adoption is still in its early stages, as seen in the advent of 'enterprise service management,' but holds a great deal of promise for the future."

## About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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