



# How to Escape the ITSM Tool Churn Cycle

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By Stephen Mann, ITSM.tools, 2018

## Introduction

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Companies continue to regularly switch IT service management (ITSM) tools, and the vendors that provide them; and the rising adoption of software-as-a-service (SaaS) ITSM tools has made it both more attractive and easier to do so.

Industry analyst firms offer insightful statistics on the frequency of such ITSM-tool changes – with averages usually ranging from every 3 to 6 years depending on the survey. However, it's not always the ITSM tool that needs to change.

For even if a current tool is a contributor to the need to change, there are likely other root causes that need to be identified, understood and addressed to effectively deal with the issues motivating the desire to change ITSM tools.

This paper is intended to help IT professionals to understand why they need a new ITSM tool and what they may need to do to remove themselves from the constant cycle of ITSM tool churn. In doing so, it looks at why companies change ITSM tools and vendors in the first place, and lists the 10 things to consider when you're planning to switch ITSM tools. It then concludes with the next steps to take if an ITSM tool or vendor change is needed.



# Understanding Why Companies Change ITSM Tools and Vendors

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Before jumping to the common reasons for ITSM tool churn, it's important to understand the root causes that ultimately drive the need for a new ITSM vendor and tool.

Are ITSM solutions being changed because the existing ITSM tool is unloved and considered to be causing more harm than good? Or is it because there are new IT and business needs that simply require the investment in a new tool? Or maybe both reasons apply?

Ultimately, it's important to fully understand the 'whys' and to then see if these drivers are truly the root causes or merely the *symptoms* of other common tool issues such as poor implementation, or a lack of coherent organizational change management and training when implementing the ITSM tool, among other things.

## Common Reasons for ITSM Tool Churn

There are probably more reasons for ITSM tool change than there are popular ITSM tools. Here's a few of the most common:

- **Staff lost faith in the existing ITSM tool:** dissatisfaction with capabilities, lack of flexibility, it was poorly implemented, or dissatisfaction with support
- **Business-driven change:** merger or acquisition forced a switch, new processes were needed, or a new enterprise service management strategy was initiated
- **Another ITSM tool looked better:** convincing competitor marketing, peer recommendations, or a new corporate cloud or SaaS strategy was invoked
- **It was 'time' for a new ITSM tool:** existing tool was an end-of-year budget spend, a lack of ITIL-alignment, security issues, scalability problems, too expensive to maintain or upgrade, or it was an outdated tool

*How many of these reasons are familiar to you and your organization?*

## ITSM Tool Churn Research

ITSM.tools' research into the primary reasons for ITSM-tool change shows a wide range of symptoms and root causes with 77% of survey responses spread across the following top-six reasons for tool change:

- **18%: Tool dissatisfaction related to ITIL-alignment, usability, manual activity, flexibility or customization** – this could also include the inconvenience of needing to use multiple tools.
- **17%: The old tool failed to deliver expected benefits** – this could range from cost savings, enabling new capabilities or wanting to provide a better user experience.
- **12%: The old tool was end-of-life, outdated or a homegrown ITSM tool was no longer workable** – this could be because a vendor is no longer supporting a particular tool or that the offered capabilities are insufficient relative to modern ITSM needs.
- **10%: A corporate cloud strategy/a larger transformation project/senior employee dictated it** – i.e. the ITSM tool change was dictated by an external force.
- **10%: New ITSM process adoption required a new tool, including for enterprise service management support** – i.e. more capabilities were required than the current tool was able to deliver.
- **10%: Excessive costs related to maintenance fees, admin effort or upgrading the existing tool** – and decision makers wanted a cheaper or a better investment.

The important point here is that organizations that are 'escaping' their current ITSM tool should genuinely understand what the real impetus for change is – and in doing so identify and learn from the true root causes not just the symptoms – to thus not repeat the same scenario.



# 10 Things You Need to Know Before Switching Your ITSM Tool Vendor

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Choosing a new ITSM tool and vendor has never been easy, and nowadays it's harder than ever thanks to the wide variety of options and variables to consider, including:

- Features and functions
- Product roadmap
- Vendor-related info including stability, market share and 'customer sweet spots'
- Tool-delivery models offered
- Levels of support
- Current and historical levels of customer satisfaction

To help, here are ten things that you need to understand and consider when looking to invest in a new ITSM tool and vendor.

## 1. Know the Real Reason(s) for Wanting to Change Your ITSM Tool and Vendor

As part of understanding the true root causes of the need to change ITSM tool, it's important to look beyond the tool itself. You should look at, for instance: a lack of organizational change management or a misfocused set of business requirements (with or without an RFP). The important thing is to identify issues with the IT-organization status quo that, if not adequately addressed, will cause the new ITSM tool to suffer a similar fate.

Perhaps downward pressure on team sizes, or even just an inability to recruit new staff, has meant that there was insufficient personnel resources to actually do what was needed. In this case, the ITSM tool is the unfortunate scapegoat of resourcing issues.

An IT organizations' ITSM-tool issues could be related to one or more reasons that touch upon the organizations' culture, processes, knowledge, and data – and so are issues that any new ITSM tool would struggle to fix. Again, the tool becomes the scapegoat. And not addressing

the non-tool-related root causes, and simply changing the ITSM tool, will likely mean a repeat of the status quo.

Think about the high levels of ITSM tool churn. Is it a continuing series of bad decisions and/or poor implementations? Or, is it more likely to be something that's fundamentally wrong with the IT organization that needs to be addressed before any new ITSM tool can succeed?

Sometimes, however, blame does need to be attributed to the tool itself. And this might not be that the tool lacks capabilities or is suboptimal in some areas, but the fact that the tool might not have been the best option for the procuring organization. The wrong questions might have been asked and the company received the wrong answers, or the right questions might have been asked and the answers were incorrect or misunderstood.

## **2. Ascertain What You Are Trying to Achieve with ITSM**

When switching ITSM tools and vendors, there's a danger that the organization (who's looking to switch) is perhaps overly focused on ITSM/ITIL processes and the functions that support them. They're ultimately more focused on what they need to 'do' – the mechanics of ITSM – than what they need to achieve by 'doing' ITSM.

A simple way to explain this is using a soccer analogy. A player might have spent all of their free time perfecting their ball-control skills and may seem like a magical player. But soccer is about eleven players working together to score goals, preventing the opposition scoring, and thus winning matches. Not ten independent field players with fancy footwork (but of course that footwork can help to win matches). It's ultimately about the positive outcome.

And so, as part of investing in a new ITSM tool and vendor, it's important to know why ITSM is needed and how it will benefit your company. Where understanding the desired business outcomes will reinforce that ITSM is merely the 'means to an end' rather than the 'end' itself and help to identify the opportunities and pain points that your company needs to address.

### 3. Discover What Employees Think about the Current ITSM Tool and Vendor

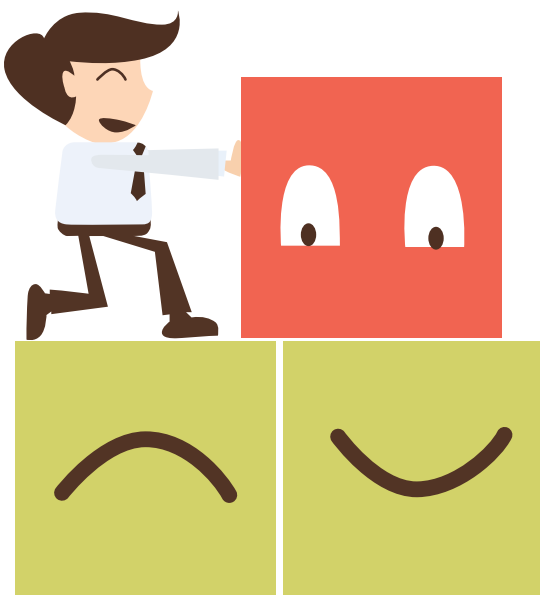
This is both for IT and end users. IT staff need to use the new ITSM tool day-in, day-out – so see what makes their lives easier or harder. End users will increasingly use the ITSM tool for self-help and self-service, but only if it offers an acceptable customer experience – and an experience that’s easier, quicker, and better than resorting to an IT service desk phone call.

Plus, of course, there will possibly be other ‘every-day’ users if the ITSM tool and ITSM best practice has been extended to other lines of business – such as human resources (HR) and facilities – through an enterprise service management strategy.

Importantly, this should not be just a list of what’s wrong with the current ITSM tool. Instead, it should be an objective list of ‘the good, the bad, and the ugly.’

Know what works for users – which might be related to ease of use as much as specific ITSM-supporting capabilities. And when you identify things that are disliked, understand why. *Is it really the ITSM tool or is it the way it’s being used? Is the issue perhaps a lack of training or education (rather than the tool itself)?*

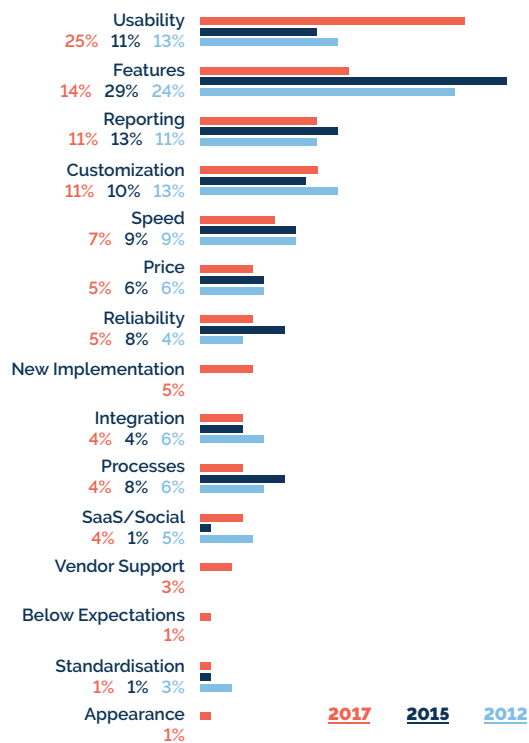
An important aspect to consider for ITSM software – or any piece of enterprise software – is its usability in light of consumer-world applications. Personal technology is now so intuitive and frictionless to use. If it’s not easy to use, it’ll get swapped for something that is. It’s consumerization in action.



## 4. Review IT Industry Research on ITSM Tool/Vendor Satisfaction and Dissatisfaction

The 2017 Service Desk Institute (SDI) “A View from the Frontline” survey and report asked: “What are your top five frustrations with your current ITSM tool?” The results are shown in Diagram 1.

**Diagram 1: What Are Your Top Five Frustrations with Your Current ITSM Tool?**



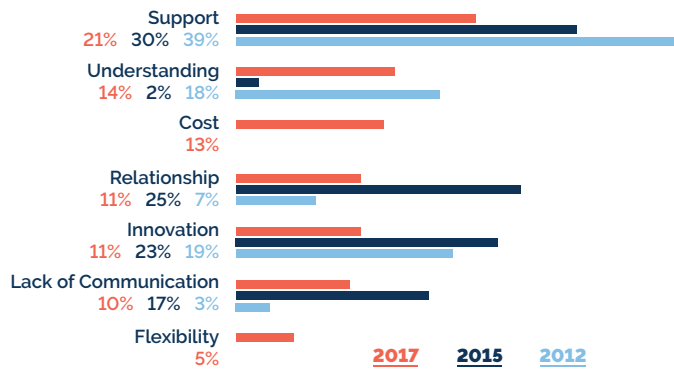
Source: SDI, “A View from the Frontline” (2017)

The top three chosen responses are unsurprising: *usability* at 25%, *features* at 14% (in particular, dashboards and self-service) and *reporting* at 11%. Very predictable results and no different than the top three respondent choices in the previous 2015 survey too.

The same SDI report also looked at the frustrations with the tool vendors, asking: “What are your top five frustrations with your current service desk or ITSM tool vendor?” The results are shown in Diagram 2.



**Diagram 2: What Are Your Top Five Frustrations with Your Current Service Desk or ITSM Tool Vendor?**



Source: SDI, "A View from the Frontline" (2017)

The top three chosen responses show significant movement from the 2015 survey results, with: *frustrations with support* at 21%, down by nearly a third. *Understanding* rocketed to 14% from just 2%. And *cost* at 13% – which was not an option in previous surveys.

Frustrations with innovation and implementation have both dropped significantly too. It’s also important to note that frustrations with the related choices of **understanding, relationship, and lack of communication collectively add up to 35%**.

Use these two SDI insights and any other analyst research you might have access to, along with the feedback from IT and end users in order to recognize what the ITSM tool vendors need to have, so they can be closely assessed against competitors during the ITSM tool selection process.

## 5. Realize Your Organization’s True ITSM Tool Requirements

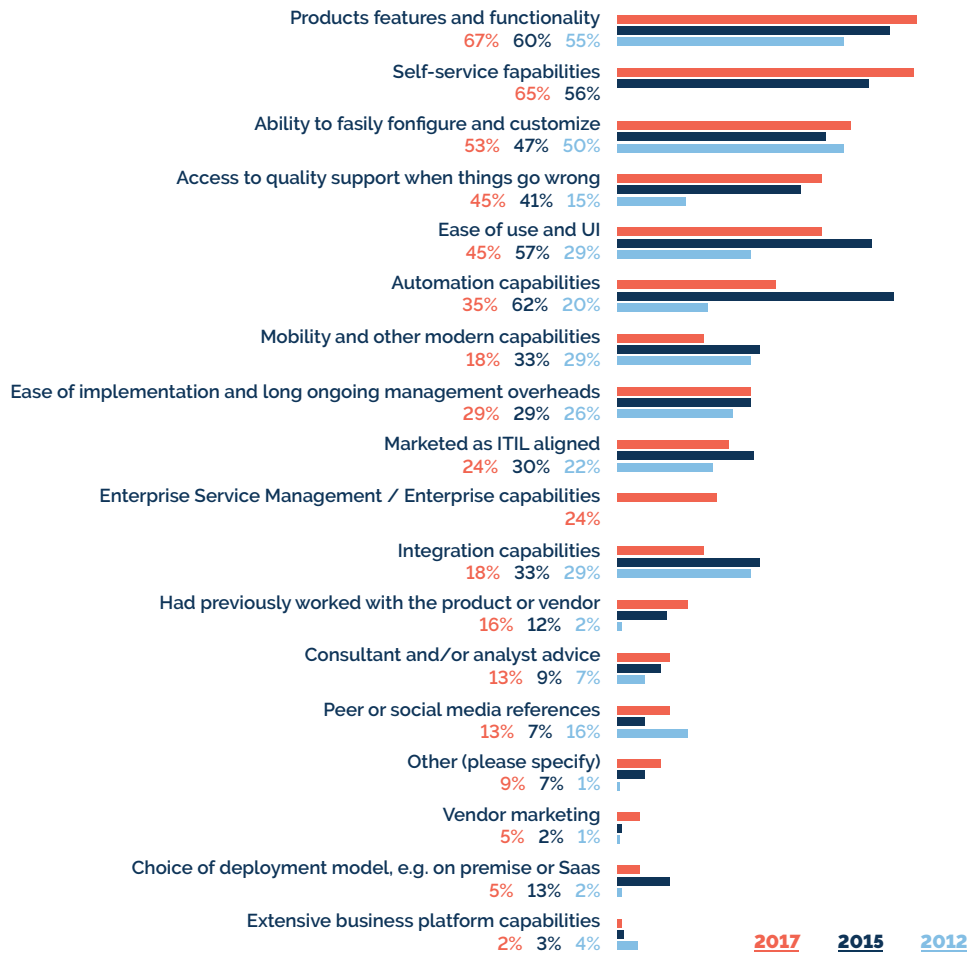
Your organization will most likely follow one of two routes or use both when selecting a new ITSM tool and vendor:

1. Participate in a free trial of various ITSM tools
2. Issue a request for proposal (RFP) for a selection of ITSM tool vendors to rate themselves against your needs.

Either way, it will create some form of business requirements from which to get a good understanding as to how well each ITSM tool and vendor meets your needs – both functional and non-functional.

Returning to the SDI report’s data – product features and functionality are key for 67% of respondents, as you would expect (See Diagram 3).

**Diagram 3: What Would Influence Your Selection of a New ITSM Tool?**



Source: SDI, "A View from the Frontline" (2017)

Most organizations only adopt a small subset of ITIL’s 26 ITSM processes and four functions – often including: incident, problem, change, request fulfilment, service desk service level agreements (SLAs), service catalog, self-service and maybe some semblance of an IT asset management or configuration management database (CMDB). But taking a peer and process-led approach to setting your organization’s business requirements is less about your organization and more about everyone else.

In order to know the true business requirements your organization has for a new ITSM tool, you need to start with the desired business outcomes rather than the commonly used features and functions available in ITSM technology. There are thus two common pitfalls to avoid when setting business requirements:

1. Starting with a third-party's request for proposal (RFP) document and adding to it. All you end up with is a list of what's available rather than what's actually needed.
2. Starting with a list of a particular ITSM tool's capabilities (it's not too different to the above bullet).

Succumbing to either pitfall will put your organization at risk of investing in quantity over quality, i.e. making a purchasing decision based on what's available rather than what's actually needed. So, ensure that you understand your organization's true requirements – those that are based on business-outcome needs, not every possible capability available.

## 6. Recognize How Different Company ITSM-Tool Needs Differ

Knowing how different organizational needs differ is particularly pertinent when reviewing industry research that compares different ITSM tools (and vendors). And even if the industry research and analysis is broken down into how different tools meet the needs of different-sized organizations, say – showing the best tools for small-to-medium businesses (SMBs), mid-market companies, and enterprise organizations – *is it genuinely reflecting your organization's real ITSM and business needs?*

One size doesn't fit all for ITSM tools. In fact, there are a number of variables that come into play here, not just organizational size. For example:

- **The tool use case or cases** – For instance, an SMB-focused ITSM or service desk tool might be perfect for one particular need within the largest of enterprise organizations.
- **The relevant industry or vertical** – Some ITSM tools actively cater to higher education needs and some tools are better suited for global banks.
- **The organization's ITSM maturity** – Which cuts two ways, the number of ITSM processes employed and the level of capability for each of those processes.

- **The geography, or geographies, the ITSM tool will be employed in –**  
Notwithstanding language complexities, there's also the fact that different countries have different approaches to ITSM. Plus, the vendor presence in the location and their ability to support and help improve the customer's capabilities is potentially important too.
- **The company approach to ITSM –** ITSM means different things to different people, and this affects how they use it and thus how they need an ITSM tool to support their objectives and activities. Does your company see ITSM as a set of IT management best practice processes for 'doing things?' Does your organization see it as the best way to deliver high-quality IT services? Or is ITSM seen as a way to improve the employee experience relative to IT?
- **Non-ITSM IT needs –** The additional need for non-core-ITSM capabilities within the ITSM tool. For instance, IT asset management (ITAM) or certain IT operations management (ITOM) capabilities.
- **Non-IT needs –** The use of the ITSM tool by other corporate service providers such as facilities and HR. This is covered in greater detail in the next point.

Thus, looking at the ITSM tool vendors that usually sell to enterprise organizations, when you have 'SMB needs,' will probably not be a good start (or use of time and effort). But also, looking at ITSM tool vendors that sell to 'SMBs needs' still might not produce a good match for your organization when you consider the other variables that could influence suitability.

The important thing is to understand all of these variables and how they affect ITSM activities and tool needs, and to factor them into the requirements of both your new ITSM tool and its vendor.



## 7. Grasp How Business and IT Strategies Will Impact Tool-Selection Decision Making

ITSM isn't an island and so new ITSM tool and vendor decisions can't be made in isolation – even if focused on better business outcomes. Instead, an understanding of third-party requirements and compromise might be needed in situations where other business needs, and other interested parties, come into play. For example:

- **A corporate cloud-first strategy** – If the organization has decided that hosting applications in the corporate data center(s) is now suboptimal to public cloud in terms of flexibility, availability/quality of service, cost, required skills and security, then this automatically steers the ITSM-tool (and vendor) selection process in a certain direction. You'll need to find out which tools and vendors have had greatest success with their cloud/SaaS ITSM offerings. And which vendors are firmly committed to their cloud offering rather than it being a necessary add-on to its on-premises equivalent.
- **An enterprise service management strategy** – This is where ITSM thinking, best practices, and technology are used to improve the performance and outcomes of other corporate service providers such as HR and facilities. The adoption of such a strategy means that the IT organization is not the only customer of the ITSM tool and other considerations need to be taken into account when setting the business requirements and in the ultimate ITSM tool decision.
- **A service integration and management (SIAM) approach to IT service delivery and support** – This is where the customer organization is using multiple service providers working together to meet the organization's IT service delivery and support needs. It's more than ITSM and involves contract and supplier management needs too. Plus, there's even greater complexity due to the involved parties – the customer and the multiple service providers – potentially using different ITSM tools to manage incidents, changes, configuration items, etc.

## 8. Learn the Differences Between ITSM-Tool Delivery Models

There are two main ITSM-tool delivery models:

1. **On-premises** – ITSM software is hosted on the customer’s own IT infrastructure and the customer is responsible for managing it. This is usually licensed via an upfront license cost followed by annual support and maintenance payments. New software releases are infrequent, usually between once every six months to every 18 months.
2. **SaaS/cloud** – The ITSM tool provider hosts and maintains their own software and the customer consumes it ‘as-a-service.’ This is paid for by a monthly subscription that includes support and maintenance costs. New releases happen far more frequently than with on-premises software, for instance weekly/bi-weekly rather than annually.

Then there are combinations and variants on these:

1. **Hybrid** – where the customer’s ITSM tool straddles both the on-premises and cloud models. This is often due to different modules or capabilities faring better in one model.
2. **Private cloud hosting** – where the SaaS/cloud ITSM tool is hosted by the customer in its private cloud.
3. **Subscription pricing for on-premises** – because the on-premises licensing model has traditionally required a large upfront cost, some vendors allow customers to pay for their on-premises software using the SaaS subscription model.

There are pros and cons of each delivery model. The key differentiators include:

- On-premises perpetual licensing is cheaper than the SaaS subscription model in the long run, with the breakeven thought to be around the four-year mark. However, once the IT infrastructure and people costs are included in TCO calculations, then SaaS is better value.
- The SaaS/cloud delivery model is so much easier for the customer – allowing them to focus on the delivery of high-quality IT services and support for their customers/end users.

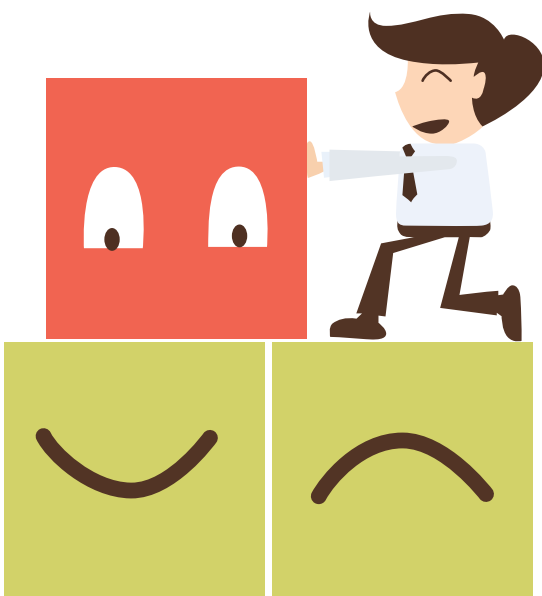
## 9. Know the ITSM-Tool Vendor Landscape

While point number 5 speaks to organizations not being led by the available technologies, it's important to know the ITSM tool vendor landscape. This overlaps with points number 6 and 10 in terms of understanding which vendors fare well with other organizations similar to your own and which vendors offer more than just support for the core ITSM capabilities. And the latter might be a reason to exclude, rather than include, them in your vendor short list.

In knowing the ITSM-tool vendor landscape, you don't need to know as much as an industry analyst. You just need to know that there are more ITSM tools and vendors out there than the dozen or so on the Gartner Magic Quadrant for ITSM tools. Such reports, while providing valuable inputs to ITSM tool purchasing decisions for some organizations, might not be suitable for all organizations.

*Why?* Because such reports are quite rightly usually aimed at the analyst firm clients who are probably large enterprises looking for software or tools suitable for the largest of organizations.

Thus, there's a need to have an understanding of other popular ITSM tool vendors and their products. Once they're in your subconscious you'll be more likely to pick up on 'mentions' of them – be it in their own content or that of others – allowing you to get an appreciation of what they offer and how well they're doing over time rather than just at the point of needing a new ITSM tool.



## 10. Understand the ITSM Tool/Vendor Differentiators

While most ITSM tools have been created with ITIL as a blueprint, they're all different. These differences can relate to a number of things, for instance:

- **The breadth of ITSM capabilities** – in terms of the ITSM processes supported.
- **The depth of ITSM capabilities** – for instance, *does the ITSM tool offer a lot of ITSM processes in a 'shallow' way or a limited number of processes in a 'deeper' way?*
- **The focus of product improvement and innovation** – whether new releases are focused on customer wants and needs.
- **Offered capabilities that go beyond ITSM** – whether these are ITOM, enterprise service management or SIAM related (as mentioned earlier).
- **The use of new technologies** – such as business intelligence and artificial intelligence.

Some of these will be key differentiators in your ITSM-tool selection process.

Then there are vendor differences. Some are touched on in point number 6 in that different ITSM tool vendors have different customer sweet spots. Then there are others that are far more business-related. For example:

- Product pricing
- The focus on customer acquisition versus customer retention
- The relative spends on sales and marketing versus product development and delivery





## Next Steps – ITSM/Vendor Change

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If your organization is at the point of investing in a new ITSM tool and vendor, and jettisoning the old, then ensure that you follow these five key steps:

1. Spend sufficient time understanding the true reasons for wanting a new ITSM tool and vendor – this will probably be multi-dimensional
2. Agree what works and what doesn't with the current ITSM tool and vendor – compromise will most-likely be needed as different parties will have different opinions
3. Create business requirements driven by business outcomes not granular features and functions
4. Ensure that wider business needs are factored into the new tool selection process as early as possible – for instance, will the SaaS-delivery model be mandated by corporate strategy?
5. Sufficiently understand the ITSM tool and vendor market to, as a minimum, ensure that the solutions considered are right for your organization's needs.

Ultimately, if your organization's requirements aren't being met, then it's probably time to change your ITSM tool. But ensure that you fully understand the reasons for change, and what currently works, in the context of the advice given above. It's time to cease the ITSM-tool churn cycle and instead deliver what your organization really needs.

## About SysAid Technologies

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Founded in 2002, SysAid Technologies Ltd. partners with IT professionals to make their work easier. The company provides IT service management (ITSM) solutions to more than 10,000 customers in 140 countries. From small businesses to Fortune 500 enterprises, IT departments use SysAid to deliver better service.

Available in 42 languages as a cloud-based or on-premises solution, SysAid combines all the essential IT tools in one simple and clever platform. For more information, please visit <https://www.sysaid.com>.



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