



# Legacy ITSM Systems Leave Businesses in the Lurch

The Do-Nothing Approach Comes with Grave Consequences

70 – 75% of IT's budget is dedicated to just keeping the lights on.

– Forrester study, “Tame Your Tech MOOSE Before the BT Agenda Makes It Bigger”

## Introduction

Trends like digitalization change the way IT is operated, managed, and delivered. It offers tremendous opportunities, but only for those businesses willing to act. According to a recent Gartner study, “Digitalization is no longer a sideshow – it has moved to center stage and is changing the whole game.”<sup>1</sup> It will be up to businesses to decide what move to make and the role that IT will play. Some businesses, intent on creating competitive differentiation, are looking to their ITSM systems to accelerate service delivery and provide solutions that empower a growing millennial workforce. Of course, this raises the question: Are legacy ITSM systems – typically aging, on-premise solutions – up to the task? This paper takes a look at today's technology challenges and workforce expectations, and how legacy ITSM systems are hindering IT's ability to keep pace – ultimately putting businesses at risk of falling behind.

## IT Departments and ITSM Systems Face New Challenges

Information technology looks very different today from just five years ago. Virtual environments, private/public clouds, mobility, and big data are no longer considered disruptive technologies, but part of the natural fabric that makes up most IT infrastructures today. These trends are changing the way IT operates. Similarly, ITSM solutions must change the way employees work today – how they request and receive services and ultimately perform. CEOs expect their CIOs to step up and lead the digital charge.<sup>1</sup> That requires navigation of technology and workforce landscapes that have shifted dramatically, as well as a willingness to embrace technological advancements. With legacy systems making it increasingly difficult to accommodate tomorrow's demands, the time to act is now

### **The High Cost of Keeping the Lights On**

Traditional IT systems have become more costly and time-consuming to maintain. A staggering 70 – 75% of IT's budget is dedicated to just keeping the lights on.<sup>2</sup> IT leaders are becoming increasingly hard pressed, with the remaining 25 – 30%, to take that next step and play a larger role in driving business outcomes.

### **IT Services Must Advance – Not Impede – User Productivity**

Businesses want IT to deliver greater differentiation through the rapid delivery of new business services and applications. But that's just part of the equation. ITSM is at the forefront of the user experience. In addition to fast, agile operation, these services must also be easy to use – delivering an intuitive, seamless, 24x7 user experience. By expediting the delivery and quality of services, employees are ultimately that much more efficient and productive in the workplace. Through effective self-service capabilities, businesses can potentially repurpose some of the 70% intended to keep the lights on, allocating more of the IT budget and resource capacity toward innovative projects.

### **The Millennial Workforce Is Here**

While the technology landscape is changing, so too is the personal landscape – and today's evolving workforce. According to a Pew Research Center analysis, 2015 marks the first year that millennials make up the majority of the workforce in the United States.<sup>3</sup> Millennials bring unique capabilities, especially as the first “native technologist” generation. They are “more technologically adept,”<sup>4</sup> and are not afraid to seek out answers to their questions. They also have definite expectations about how digital systems should behave. Millennials see a significant gap between their experience of digital systems

“We have been using numerous legacy systems to manage core operations within our IT and Engineering divisions, and they require a lot of maintenance to keep current. We’ve found that modern ITSM systems have the robust functionality that will allow us to consolidate all our existing tools, create a single system of record for our two divisions, and eliminate inconsistencies in our processes.”

– Hezi Rosenberg, business analyst department manager at Partner Communications

on the consumer side and the reality of what digital systems in the enterprise can deliver. IT must shrink that gap if it wants to boost millennials’ productivity and, more importantly, harness their talents to help differentiate the business moving forward. The same is also true for non-millennials. As technology evolves and expectations change, businesses, IT leaders, and workers must adapt – instead of digging their heels in – if they want to succeed moving forward.

## Don’t Risk Getting Left Behind

Success in a digital world, according to Gartner, requires “flipping from a ‘legacy-first’ to an outside-in, ‘digital-first’ leadership mindset.”<sup>1</sup> Businesses that choose to do nothing and stick with their legacy ITSM systems aren’t just making it more difficult for IT to address the challenges described above; they’re ultimately putting the business at risk by holding it back. The quest to differentiate becomes more of a struggle to survive.

**On-premise delivery mechanism contributes to high IT costs.** Most legacy ITSM systems are based on an on-premise model. The application stack is implemented in the data center and is supported by on-premise servers, operating systems, databases, and other infrastructure components. With this model, legacy ITSM systems that are supposed to act as a business accelerator ironically contribute to the high cost of merely keeping the lights on. As such, the on-premise delivery model further drains IT budgets and prevents teams from pursuing innovation and progress.

**Multiple technologies create added complexity.** Many legacy ITSM systems are based on a cobbled set of different technologies that have come together through mergers and acquisitions. These pieced-together systems make central visibility and reporting a nightmare for IT teams as they struggle to get systems talking to each other and reporting out the same data. These systems are not easily integrated, and they’re difficult to customize and adapt to constantly changing business requirements. The technological reality is that they are actually holding the business back, making it that much harder to turn IT into a business driver.

**Closed frameworks block agility.** Legacy ITSM systems typically involve closed frameworks that are set up in an authoritative manner. These systems are likely delivering against a predefined set of best practices that tightly adhere to methodologies like ITIL or ISO 20000. While these processes are beneficial, many businesses today want to couple IT tooling with business innovation, and a cookie-cutter set of best practices can only take them so far. They want the ability to build a unique set of processes – customized ITSM service delivery capabilities – aligned with the way they



“We are made up of 16 companies, 22 business units, and 300 applications performing as services. We are critically dependent on our ability to quickly create or update our business services.”

– A leading risk assessment provider in the U.S.

do business. Legacy ITSM systems simply don't have the agility required to adapt and support requests coming from the business side of the organization.

**Not all clouds are created equal.** There's no denying that the cloud is a business accelerator, meeting high standards for performance, security, quality of service, and business continuity. The public cloud market is growing faster than projected, and Forrester predicts it will reach \$191 billion by 2020.<sup>5</sup> As more and more businesses embrace the cloud as a trusted enterprise infrastructure, they're also expecting to work with real cloud solutions that conform to a modern cloud environment. It's not as simple as taking the functionality of an on-premise solution and moving it to a cloud. When looking for the right cloud solution, it's important to consider how your data is handled, multi-tenancy issues, performance expectations, security, and more. The reality is that many vendors aren't equipped to deliver to the expectations of a modern cloud environment.

## Conclusion

IT departments that are “getting by” with their legacy ITSM systems will very soon hit a point when the challenges and risks described in this paper become prohibitive. Change is inevitable, as forces outside the business demonstrate. It's up to businesses to decide how they're going to respond to that change. For many, it requires a major internal shift that allows IT to quickly and flexibly offer the services that best equip a modern workforce. This is the way that organizations can move toward greater differentiation and, of course, stay relevant in today's digital world.

## Additional Resources

“Forgotten risks hide in legacy systems,” Maria Korolov, *CSO*, April 3, 2014  
<http://www.csoonline.com/article/2139382/data-protection/forgotten-risks-hide-in-legacy-systems.html>

“Modernize legacy systems or replace them: The debate continues,” Mary Nugent, *FCW*, January 24, 2014  
<https://fcw.com/articles/2012/01/24/modernize-replace-legacy-debate.aspx>

“The three types of CIOs in the cloud,” Sanjay Beri, *Wired*, October 15, 2014  
<http://insights.wired.com/profiles/blogs/the-three-types-of-cios-in-the-cloud#axzz3oOu6RZvI>

“There's no future in on-premise IT – it's time to move to the cloud,” J. Peter Bruzzese, *InfoWorld*, March 19, 2014  
<http://www.infoworld.com/article/2610801/iaas/there-s-no-future-in-on-premises-it---it-s-time-to-move-to-the-cloud.html?page=2>

<sup>1</sup> Flipping to Digital Leadership: Insights from the 2015 Gartner CIO Agenda Report, 2014

<sup>2</sup> “Tame Your Tech MOOSE Before The BT Agenda Makes It Bigger,” Forrester, May 13, 2015

<sup>3</sup> “Millennials surpass Gen Xers as the largest generation in U.S. labor force,” Richard Fry, Pew Research Center, May 11, 2015

<sup>4</sup> The 2015 Millennial Majority Workforce, study results, commissioned by Elance-oDesk and Millennial Branding, October 2014  
<http://www.slideshare.net/oDesk/2015-millennial-majority-workforce>

<sup>5</sup> “The Public Cloud Market Is Now In Hypergrowth,” Forrester, April 24, 2014

**servicenow**

©2015 ServiceNow, Inc. All rights reserved. ServiceNow is a trademark of ServiceNow, Inc. All other brands, products, service names, trademarks, or registered trademarks are used to identify the products or services of their respective owners.