

Magic Quadrant for IT Service Management Tools

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IT service management tools are vital for infrastructure and operations organizations to support and deliver IT services. This research profiles vendors in the enterprise ITSM tool market to help I&O leaders judge how these providers align with their current and future roadmaps.

Market Definition/Description

Gartner defines the IT service management (ITSM) tools market as follows: ITSM tools help infrastructure and operations (I&O) organizations manage the consumption of IT services, the infrastructure that supports the IT services and the IT organization's responsibility in delivering these services. These are most heavily used by IT service desks and IT service delivery functions to support the tasks and workflows for processes including incident, request, problem, change, service level, knowledge and configuration management.

ITSM tools are classified based on ITSM capabilities and integration with IT operations management (ITOM) solutions and include:

- **Basic ITSM tools** that have some ITSM capabilities and limited integration with ITOM solutions
- **Intermediate ITSM tools** that have good ITSM capabilities and provide some basic ITOM functions or integrate with intermediate third-party ITOM solutions
- **Advanced ITSM tools** that have a full range of ITSM capabilities and provide broad ITOM functionality natively or integrate with advanced third-party ITOM solutions

Vendors are increasingly concentrating product development on non-I&O use cases as market saturation of ITSM tools continues. The adaptation of the platform's workflow capabilities outside of ITSM functionality (such as for HR case management or facilities management) are not evaluated within this research.

ITSM tools are a component of the experience management ITOM tools minisuite. The experience management minisuite focuses on improving the overall level of quality and efficiency with which the I&O organization supports business users. For deeper ITOM capability, ITSM tools may optionally integrate with other tools from the delivery automation minisuite or the performance analysis minisuite (see "IT Operations Management 2025: Shift to Succeed").

Minisuites are composed of a small number of tools that:

- Address a defined need (for example, end-user management, server provisioning or configuration)
- Address specific IT operations processes (for example, incident and problem management)
- Are aimed at a specific user or buying center (e.g., network administration)

Minisuites also can reflect how vendors group, integrate, market and sell their products.

Magic Quadrant

Figure 1. Magic Quadrant for IT Service Management Tools



Source: Gartner (August 2019)

Vendor Strengths and Cautions

Axios Systems

Axios Systems' ITSM product, called assyst, is targeted at organizations with advanced I&O maturity. This tool is evaluated in the Critical Capabilities companion research.

Strengths

- Axios' primary revenue source is ITSM tools, which leads the company to focus its resources and attention on ITSM products more than competitors that concentrate on different use cases.
- Axios actively leverages numerous customer communication channels to foster peer communities, build advocacy and drive most of its product enhancement roadmap.
- Axios has successfully used vertical-specific programs and incentives to attract state, local and education government customers in multiple regions.

Cautions

- Axios Systems has the smallest market share of the vendors in this Magic Quadrant, and growth in customer numbers and revenue has lagged behind the company's competitors.
- Axios' strategy of focusing on a smaller number of enterprise customers, rather than on the midmarket exposes the company to higher risk in case of renewal challenges with these customers.
- Most of Axios' customers and marketing efforts are focused on Europe primarily and North America secondarily; the company has a limited support presence in other regions.

BMC

BMC offers four ITSM products: BMC Helix ITSM (formerly Remedy IT Service Management), targeted at organizations with advanced I&O maturity; BMC Helix Remedyforce and FootPrints, which are targeted at intermediate I&O maturity; and Track-It, for basic I&O maturity. BMC Helix ITSM and BMC Helix Remedyforce are evaluated in the Critical Capabilities companion research, with the score for Helix ITSM contributing to the "product or service" factor of Ability to Execute. In October 2018, investment firm KKR completed its acquisition of BMC.

Strengths

- BMC has a broad ITOM software portfolio, making it a viable partner for mature I&O organizations that need to extend their ITSM tools.
- BMC's containerized BMC Helix ITSM product offers a broad set of deployment and licensing options, including SaaS, co-sell partnerships with public cloud providers (Amazon Web Services [AWS] and Azure), and on-premises, giving customers flexibility in how and where their instance is deployed.

- Gartner's Critical Capabilities research determined that BMC scored highest for the advanced I&O maturity use case, indicating it is strongly suited to meet the requirements of high-maturity I&O organizations.

Cautions

- BMC's rebranding of its Remedy product into the Helix family has yet to resonate with customers who still associate the product with legacy experiences.
- BMC Helix ITSM bundling and pricing options require customers to purchase add-ons to get advanced capabilities such as location tracking, virtual chat and some service catalog features. This increases the true cost of the solution, as BMC requires customers to purchase Digital Workplace Advanced.
- BMC has reduced investment in its FootPrints and Track-IT products, but is still offering them to customers.

Broadcom

Broadcom offers one ITSM product, Clarity Service Management (Clarity SM), targeted at organizations with advanced I&O maturity. Broadcom completed its acquisition of CA Technologies in November 2018 and rebranded its CA Service Management solution in March 2019. This tool is evaluated in the Critical Capabilities companion research.

Strengths

- Clarity SM's multitenant architecture has enabled Broadcom's managed service providers (MSPs) and hosting providers to support multiple customers on a single implementation of its product.
- Broadcom's CA Technologies acquisition included a broad portfolio of ITOM tools that integrate directly with Broadcom's Clarity SM product.
- Customers leveraging multiple products from the Broadcom Enterprise Software offering can choose a Product License Agreement giving them access to Broadcom's wider portfolio of products.

Cautions

- ITSM represents a small portion of Broadcom's overall revenue stream; release of new features such as a virtual support agent and a consistent UI across all modules have lagged behind other vendors in the Magic Quadrant.
- Broadcom has inconsistent branding of its product resulting in the product being sold under different names in different regions and some CA Service Management customers are unsure about the company's product roadmap, due to limited communication from the new owners.

- Customers rarely opt for on-premises ITSM tools, but Broadcom lacks a SaaS-based ITSM tool; instead it relies on MSP and partner-hosted versions of its on-premises product for customers looking for a managed ITSM tool offering.

Cherwell Software

Cherwell Software offers one ITSM product, called Cherwell Service Management, which is targeted at organizations with intermediate to advanced I&O maturity. This tool is evaluated in the Critical Capabilities companion research.

Strengths

- Cherwell drives a significant portion of its revenue through ITSM products, which ensures Cherwell's commitment to the ITSM product line.
- Cherwell continues to enjoy mind share among Gartner clients looking at intermediate ITSM tools. Cherwell was the second most frequently shortlisted vendor by Gartner clients in 2018.
- Integration with third-party tools is important to ITSM tool buyers, and Cherwell maintains a large and growing set of integrations and community-driven extensions to its platform via its Mergeable Applications (mApp) Exchange.

Cautions

- Improvements cited as important by Cherwell customers, such as an improved user interface and a replacement of the thick-client software required for some administrative functions, have been slow to arrive.
- Cherwell's reliance on partner-provided capabilities for advanced ITOM, artificial intelligence (AI) and collaboration features requires buyers with advanced I&O maturity to adopt a multisourcing approach to meet all of their needs.
- Cherwell has a limited number of channel partners and local office presence outside of its core markets of North America and Europe. This will limit its growth and expansion into emerging territories, such as Latin America and the Asia/Pacific (APAC) region.

EasyVista

EasyVista offers one ITSM product, called EV Service Manager, that is targeted at organizations with intermediate to advanced I&O maturity. This tool is evaluated in the Critical Capabilities companion research.

Strengths

- Due to EasyVista's focus on the midmarket and above, it is well positioned to solicit interest from smaller, intermediate-to-advanced maturity customers that are breaking away from large-enterprise-focused service providers.

- EasyVista's acquisition of Knowesia has provided a boost to its self-help and virtual agent capabilities, and this positions the company well for future enhancements to support the digital workplace.
- EasyVista saw strong revenue growth in 2018 for its size, particularly driven by operations in the U.S. and France.

Cautions

- EasyVista still has a significant direct sales proportion, compared with sales through partner channels. This will limit its global outreach and its ability to appeal to emerging markets, including Asia, the Middle East and Latin America.
- EasyVista has increased its R&D spending in 2018, but still lags behind competitors in this market.
- EasyVista has less visibility in the market, compared with competitors, and Gartner is seeing EasyVista on fewer customer shortlists.

Freshworks

Freshworks offers one ITSM product, called Freshservice, that is targeted at customers with basic to intermediate I&O maturity. This tool is evaluated in the Critical Capabilities companion research.

Strengths

- Enthusiastic marketing campaigns, including event attendance, presence on industry forums and blogs, have grown customer interest, as demonstrated in Gartner client inquiries and overall customer perceptions.
- Freshworks has an agile approach to product updates, with a rolling release model that allows it to offer weekly product updates. Feature flags on the updates enable customers to select the new capabilities they would like to adopt or exclude.
- By offering multiple pricing tiers that scale up with functionality and temporary licenses, Freshservice enables small and midsize businesses (SMBs) and lower-maturity customers to grow on the platform, rather than purchase functionality they will not use.

Cautions

- As Freshworks targets larger and more mature customers, Gartner's Critical Capabilities research shows its product lacks the level of ITOM integration and ITSM functionality that advanced-maturity customers expect from ITSM tools.
- Freshworks has a small number of partners in the U.S. for ITSM, requiring customers in North America to rely on direct sales and implementation support.

- Freshworks' attention to enterprise customers risks its predominantly SMB and midmarket customer base, as the company devotes support and development resources to go after the more advanced needs of the enterprise.

IBM

IBM offers one ITSM product, Control Desk, which is targeted at organizations with advanced I&O maturity. This tool is evaluated in the Critical Capabilities companion research.

Strengths

- In addition to traditional North American and European markets, IBM has extensive global partnerships and resources in Asia, where many other ITSM vendors lack a significant local presence.
- The convergence of IBM Control Desk and IBM Maximo products offers customers deeper integration for enterprise asset management (EAM) and Internet of Things (IoT) management, when used jointly.
- IBM's Control Desk has effectively positioned itself as part of a wider IBM ITOM and services offering.

Cautions

- IBM continues to lag behind the competition when it comes to service management innovation that reduces manual work for agents and makes it easy for customers to consume IT services.
- IBM lacks an established customer base leveraging SaaS deployments for its ITSM product. Despite market preference shifting to SaaS, most of IBM's ITSM customers are running Control Desk on-premises or hosted through their managed services.
- IBM's ITSM offerings have limited appeal outside of its existing customer base because IBM typically gears its pricing and marketing around selling Control Desk as part of a larger outsourcing, ITOM or IT/OT purchase. Gartner clients rarely consider IBM on their shortlists when choosing a new ITSM tool.

Ivanti

Ivanti was formed by the merger of LANDESK and HEAT Software in early 2017. Ivanti offers one ITSM product, Ivanti Service Manager, which is targeted at organizations with intermediate and advanced I&O maturity. This tool is evaluated in the Critical Capabilities companion research.

Strengths

- Ivanti offers various bundling and licensing options of its ITSM product with its security and ITOM solutions that appeal to organizations seeking tailored offerings.

- Ivanti has marketed effectively through channels that cater to organizations with low to intermediate I&O maturity, and regularly appears on customer shortlists.
- Ivanti has largely improved customer communication through channels including events, blogs, newsletters and webinars, providing greater visibility into product enhancements and roadmap items.

Cautions

- Ivanti has a lesser presence in emerging markets, such as the APAC region and the Middle East, which will challenge its growth ambitions in those regions.
- Ivanti is making some new features available on only the cloud version of its ITSM product, and the majority of Ivanti's customers who use on-premises versions may not have access to these.
- Ivanti shifted most of its ITSM sales from direct to indirect (that is, channel partners) in 2018, which raises questions of whether its partners will be able to provide comparable product expertise and support.

Micro Focus

Micro Focus offers one ITSM product, Micro Focus Service Management Automation X (SMAX), which is targeted at organizations with intermediate to advanced I&O maturity. This tool is evaluated in the Critical Capabilities companion research. Micro Focus declined to submit survey questionnaires, a video demonstration of the product or a list of reference customers. As a result, this profile was prepared using public and other appropriate data sources, including information provided for the 2018 ITSM Magic Quadrant research. Micro Focus was offered the opportunity to provide factual review.

Strengths

- Micro Focus maintains an active user community for its SMAX product, including a peer forum and biweekly community meetings for practitioners.
- SMAX can be deployed in containers, which enables customers to host the tool in a variety of environments of their choice.
- Merging existing customers with customers of legacy Hewlett Packard Enterprise (HPE) products gives Micro Focus a large target customer base for growth and cross-selling opportunities.

Cautions

- ITSM tools are a relatively small portion of the overall revenue for Micro Focus compared to many of the organizations appearing in this Magic Quadrant that devote most of their product development efforts to their ITSM tools.

- Gartner clients have reported uncertainty about Micro Focus' ITSM product roadmap and future support for older ITSM products purchased from HPE due to inconsistent messaging from Micro Focus.
- Apart from several major ITSM shows and local meetings convened through industry/professional associations, Micro Focus' marketing efforts have been directed primarily at its existing customers, and Gartner seldom sees it on customer shortlists.

ServiceNow

ServiceNow offers one ITSM product, ServiceNow IT Service Management, targeted at organizations with various levels of I&O maturity. ServiceNow IT Service Management is evaluated in the Critical Capabilities companion research.

Strengths

- ServiceNow has global reach with local sales and support organizations and strong brand recognition. It dominates customer shortlists, and its ITSM tool revenue market share has grown to more than triple that of its closest competitor.
- Although many of its competitors rely on third-party partnerships for AI and machine learning, ServiceNow has made several platform-level acquisitions (for example, DxContinuum, Qlue and Parlo) to add native functionality and successfully sells AI and ML functionality as add-ons to its ITSM product.
- As a result of ServiceNow's dominant market position, its platform has helped build a strong partner ecosystem, including professional services and integrations.

Cautions

- ServiceNow has restricted support to the current and previous versions of the product, which requires customers to perform an upgrade at least once every year. This can strain customers with limited resources to support their ITSM implementations.
- Interactions with Gartner clients indicate that organizations with low I&O maturity struggle to demonstrate sufficient value from their ServiceNow investments. Functionality to track improvement initiatives that drive maturity requires an ITSM Professional license, which comes at a significantly higher cost.
- Gartner clients report that frequent changes in licensing policies and bundling make product renewals challenging.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in a Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year, and not the next, does not necessarily indicate that

we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

Freshworks has been added, as it met the 2019 inclusion criteria.

Dropped

No vendors were dropped this year.

Inclusion and Exclusion Criteria

To qualify for inclusion, vendors must:

- Sell and market an ITSM product that includes functionality for:
 - IT incident management
 - Problem management
 - Change management
 - Configuration management
 - Release governance
 - IT user self-service (for knowledge and request management)
 - IT knowledge management
 - IT service support analytics and reporting
 - SLA management with regard to incident and service requests.

Also a graphical process designer must be available to manage the above workflows.

- Have demonstrated ongoing development of the product with at least one major update/release (not including security updates and minor feature update) during the past 18 months (since 1 October 2017).
- Have at least 35% of customers using versions of software across the ITSM product portfolio that are less than 18 months old (released after 1 October 2017).
- Have at least \$26 million in annual revenue derived from ITSM products.
- Have at least 20 new customers added during 2018 with either a contract value of \$315,000 for purchase of perpetually licensed ITSM tool software or an annual contract value of \$150,000 for subscription to ITSM tool software.

- Have sales presence or a partner network that includes at least two offices (regional office or reseller partner) in each of three or more of the following regions:
 - North America
 - Latin America
 - Europe (Western, Eastern and Eurasia)
 - Middle East and North Africa (including Sub-Saharan Africa)
 - Asia/Pacific (Mature, Emerging, Greater China and Japan).
- Vendor must supply Gartner with five active customer references to complete an online survey detailing their use of the product and experience with the vendor.

Because Gartner bases its main evaluation on real user experiences rather than on future releases or recent releases that have been broadly tested, the product versions considered as part of this evaluation must have been generally available by 1 April 2019.

Evaluation Criteria

Ability to Execute

Product or Service: The criterion refers to the core goods and services offered by the vendor for the defined market. It includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the Market Definition/Description section and detailed in these 12 capabilities:

1. **Incident and Problem Management:** Incident ticketing and problem management are required by all IT organizations that use ITSM tools. This enables them to manage the life cycles of IT incidents and problem records from recording to closing. These are core capabilities in which all ITSM tools must be competent.
2. **Change and Release Management:** Integrated change and release management is important for organizations focused on intermediate and advanced IT service management capabilities to control the governance and risk of changes to I&O.
3. **Configuration Management:** Configuration management is important for organizations focused on intermediate and advanced IT service management capabilities to maintain an overview of service assets to aid other processes such as change and incident management.
4. **Self-Service/Request Fulfillment:** Service request fulfillment is important for IT organizations focused on providing business users with a convenient way to interact with the IT organization by presenting incident and request tracking services, technical IT components and IT services in the form of an orderable service catalog.

5. **IT Knowledge Management:** Knowledge management is a key area of differentiation for all use cases. The knowledge portal should enable end users to resolve simple incidents themselves. The tools should create knowledge bases for relevant, updatable content that is useful for IT and business users.
6. **Collaboration:** Collaboration features are key for digital workplace use cases to help IT staff work together to solve IT incidents and problems, and to enable business users to solve their own IT issues as well as to help their colleagues.
7. **Reporting and SLA Management:** Reporting and dashboards are key for all use cases because they support, enhance and extend collaborative decision support (strategic and tactical) and communication with IT and business leaders.
8. **“AITSM”:** AITSM is not an acronym; it is a term that refers to the application of context, assistance, actions and interfaces of AI, automation and big data on ITSM tools and practices to improve the overall effectiveness, efficiency and error reduction for I&O staff. It is important for intermediate and advanced use cases to automate and support complex environments.
9. **Process and Workflow Design:** IT organizations in all use cases need out-of-the-box, preconfigured forms, fields, workflows and reports that are compatible with industry best practices and standards for IT service management.
10. **Integration:** The tools’ abilities to integrate with other tools and the ability of those tools to integrate with ITSM tools is increasingly important, particularly for organizations that use software from other ITOM minisuites, development and artificial intelligence for operations (AIOps).
11. **Overhead:** License and subscription costs for ITSM tools vary considerably, as do ongoing costs for support and administration. Many organizations overbuy when selecting an ITSM tool.
12. **User Experience and Flexibility:** Product configuration flexibility is an important factor that distinguishes different ITSM tools for different maturity levels. IT service desk users, in particular, benefit from a streamlined and intuitive UI.

These product criteria are evaluated in the Critical Capabilities companion research for IT service management tools. The Critical Capabilities score from the advanced-maturity I&O use case is used to derive this rating. The ITSM product that is targeted at large enterprises with intermediate-to-advanced I&O maturity is used where multiple products from a vendor qualify for inclusion in that research.

Overall Viability: Viability includes an assessment of the overall organization’s financial health and the financial and practical success of the business unit. It also includes the likelihood that the individual business unit will continue to invest in the product, to offer the product and to advance the state of the art within the organization’s portfolio of products. Gartner’s Financial

Statement Scorecard methodology (see Note 1) is used as one data source for vendors that are public companies.

Sales Execution/Pricing: This criterion refers to the vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: This criterion defines a vendor's ability to respond, change direction, be flexible, and achieve competitive success as opportunities develop, competitors act, customer needs evolve, and market dynamics change. It also considers the vendor's history of responsiveness.

Marketing Execution: Marketing execution is the clarity, quality, creativity and efficacy of programs designed to deliver the organization's message. The goal is to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This mind share can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

Customer Experience: This criterion includes relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Table 1: Ability to Execute Evaluation Criteria

Evaluation Criteria ↓	Weighting ↓
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	High
Market Responsiveness/Record	Medium
Marketing Execution	Medium
Customer Experience	Medium
Operations	Not Rated

Source: Gartner (August 2019)

Completeness of Vision

Market Understanding: This criterion is about the ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: In this context, marketing strategy refers to a clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: This criterion refers to the strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates. These affiliates extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product Strategy): The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology, and feature sets as they map to current and future requirements is the core of this criterion.

Business Model: Business model refers to the soundness and logic of the vendor's underlying business proposition.

Innovation: This criterion refers to direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or preemptive purposes.

Geographic Strategy: This is the vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

Table 2: Completeness of Vision Evaluation Criteria

Evaluation Criteria ↓	Weighting ↓
Market Understanding	High
Marketing Strategy	High
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	Not Rated
Innovation	High

Evaluation Criteria ↓	Weighting ↓
Geographic Strategy	High

Source: Gartner (August 2019)

Quadrant Descriptions

Leaders

BMC and ServiceNow are positioned in the Leaders quadrant. Both vendors have executed well, and are the two largest vendors in the ITSM tool market by revenue in 2018 (jointly accounting for more than 65%). Both vendors exhibit the levels of product, marketing and sales capabilities required to drive market acceptance.

Challengers

Cherwell Software and Ivanti are positioned in the Challengers quadrant. These vendors have also executed well, growing market revenue and improving their ITSM products and overall viability levels enough to participate in the general-purpose market with competitive products.

Visionaries

Vendors appearing in this quadrant deliver innovative products that address operationally important I&O organizational challenges – namely, business consumer engagement and IT collaboration – but have yet to gain significant market or mind share. This year, no vendors fit this description, as many have focused on innovation outside the scope of ITSM tools.

Niche Players

Axios Systems, Broadcom, EasyVista, Freshworks, IBM and Micro Focus are positioned in the Niche Players quadrant. These vendors have strengths in particular areas of ITSM, but generally have not invested in satisfying all the requirements to demonstrate Completeness of Vision and the Ability to Execute. The vendors in this quadrant focus on a small segment, or are in the process of ramping up go-to-market efforts and have yet to develop the vision to break out; or they are scaling down their offerings by retiring products.

Context

The Magic Quadrant for ITSM tools assesses the viability of vendors and their competitive strength in the ITSM tool marketplace. The vendors featured here produce ITSM tools that are of interest to large I&O organizations that have intermediate-to-advanced I&O maturity (that is, a Gartner IT Score for Infrastructure and Operations rating of 2.5 or higher).

This is not a direct evaluation of the ITSM products that these vendors offer. This analysis is complemented by the “Critical Capabilities for IT Service Management Tools,” which applies 12 critical capabilities that differentiate the most popular large-enterprise-focused products on the market, and three I&O-maturity-related use cases (plus two for digital workplace). The use cases filter and prioritize the capabilities that will have the greatest beneficial impact from ITSM

products offered by these vendors. Gartner strongly recommends that organizations use this research in conjunction with the Critical Capabilities companion research, inquiries with analysts, and other Gartner research to define their requirements and select solutions that match their needs.

Organizations should not base choice of vendor solely on its proximity to the Leaders quadrant. IT leaders must create a list of criteria that describes their needs, and select vendors that best meet those requirements (see “6 Smart Steps for ITSM Tool Selection Success”). I&O leaders must ensure that the selected vendors will meet the organization’s requirements and provide integration with broader IT operations management capabilities (see “2018 Strategic Roadmap for IT Service Management”).

Capabilities for processing workflows such as HR, facilities, business asset management and others that are not activities associated with IT service management are not evaluated in this research (see “The Reality of ITSM Tools as Enterprise Service Management Tools”).

Plan to select a vendor that can work with you for at least five years, and that invests in the ITSM market. Prioritize skills, training, process and proper product implementation, because these factors will influence your experience with a product more than the specific functional capabilities (see “How to Successfully Implement Your ITSM Tool”). Finally, rather than focusing strictly on implementation, select a vendor that can truly help your I&O organization reach its maturation goals. The key opportunity is the use of technology to support and consolidate gains in delivery maturity.

The predominance of low I&O maturity within this market will ensure that demand for basic tools remains significant. Gartner regularly advises clients to also consider ITSM vendors not found in this Magic Quadrant.

Market Overview

The ITSM tool market is composed of hundreds of products that claim to provide IT organizations with the ability to track and resolve issues affecting the IT production environment. The majority of ITSM products are basic or intermediate tools that focus on IT service desk and ticketing functions targeted at lower-maturity I&O organizations. Although all ITSM tools provide these core ticketing functions, the value to be gained is in how they can support the IT organization to deliver and improve upon IT services and more reliably demonstrate how these services underpin key business results.

I&O organizations seeking to increase IT process maturity have looked to ITSM tools aligned and preconfigured to industry best-practice frameworks like ITIL or Knowledge-Centered Service (KCS). The goal is to integrate responsibilities across technology silos with common processes, collaboration and the reinforcement of an organizational commitment to shared objectives.

The value that ITSM tools provide to IT organizations is their ability to deliver tightly integrated processes and functions that correlate with the activities of the broader IT organization. Some

innovative features can be found in advanced ITSM tools, but these are aimed at, and priced to suit, few organizations.

The market has been stable for many years, but some significant vendors have consolidated their offerings over the past couple of years through mergers, spinoffs and product retirement. On one hand, this reflects the advanced maturity of the market. On the other, it also creates new vendors and products that could potentially challenge the current leaders. An ITSM tool market with fewer, stronger offerings will benefit I&O leaders more than a market with a large number of vendors that can offer only minor differentiation and limited competitiveness.

Integrated incident and problem management, along with request fulfillment, reporting and dashboard capabilities, make up the core functionality of ITSM tools. Differentiation in this space comes from:

- Integrated change
- Configuration and release capabilities
- Service request management
- Knowledge management
- The ability to integrate with broader ITOM functionalities and third-party data sources

Integration with broader ITOM tools is key because midmarket IT organizations often buy cost-effective tools that struggle to demonstrate cross-domain ITOM tool interoperability. Regardless of their size, organizations must review their ITOM tool portfolios and select ITSM tools that blend the right mix of ITSM requirements, ease of use and ease of integration with broader ITOM functionalities. They also must recognize that the varying maturity levels across I&O processes and tool leverage will both affect potential linkages.

The market is mature, but new capabilities are emerging to help ITSM vendors differentiate themselves and their forward visions. As I&O leaders adopt broader agile and DevOps practices, providing bidirectional visibility and integration between development and ITSM tools is gaining momentum. In addition, integration with AIOps platforms, native machine learning and big data analytics is providing I&O leaders and practitioners with greater insights around their environments. SaaS is still the most commonly desired model for ITSM vendors, but some larger vendors are adopting containerized deployment approaches over public cloud infrastructure to provide broader flexibility for their customers.

Understanding the needs of the business consumer is an important component of tool selection because a large part of the business perception of the IT organization stems from interactions with the IT service desk. ITSM products are being enhanced and developed with context-aware capabilities, as well as better front-end UIs for business consumers, by vendors looking to differentiate themselves in a competitive market. (This is accomplished via IT self-service for request management and knowledge management, and other channels, such as IT support live

chat, walk-up support and virtual support agents.) Recent emphasis on the digital workplace requires product selections to strongly prioritize the user experience for the business consumer, which may previously have been an afterthought. Reducing any friction in the support process gives back time that is better spent on productive outcomes, which is better for the business and for employee satisfaction (see “Design IT Self-Service for the Business Consumer”). I&O leaders can foster higher levels of business consumer engagement via the IT service desk by leveraging contextual information gathered on business consumer interactions. This information can be used to improve business consumer experiences with the IT services that the I&O organization supports and delivers.

I&O organizations that plan on achieving or retaining Level 1 or Level 2 I&O maturity should consider basic and intermediate tools to avoid overspending both money and resources. I&O organizations intent on achieving maturity Level 3 or higher within 18 months should consider advanced ITSM tools to gain value from solutions focused on a broader, end-to-end context of IT service support and delivery. Predictably, an advanced ITSM tool will present higher overhead in terms of cost and deployment than an intermediate or a basic tool.

The ITSM market is relatively mature in terms of capabilities and is forecast to continuing growing. While the top two vendors, BMC and ServiceNow, had combined more than 65% of the market share in 2018, their flagship ITSM products are both advanced tools.

Vendors focused on basic- to intermediate-maturity use cases can be expected to emphasize core ITSM competencies (for example, incident management, change management, problem management, etc.). They will find novel ways to leverage emerging technologies and selectively pursue non-ITSM use cases to differentiate themselves in an already crowded landscape.

Vendors focused on advanced-maturity use cases can be expected to develop and execute platform strategies to distinguish themselves from simple SaaS applications, providing more flexibility and product capabilities. Average transaction and organization size may be much larger, but the purchasing cycle is also longer and more complex. Given the total cost of initial investment required and the time, money and effort associated with replacing products, larger customers are considering and engaging with vendors as strategic partners. As a result, they are less likely to migrate to another vendor upon reaching the end of a subscription period – even when a clear business case for a move might be made.

Evidence

Gartner’s “Market Share: Enterprise Infrastructure Software, Worldwide, 2018” analyzes market share data for ITSM vendors as part of overall IT operations software revenue. This market has grown from an estimated \$1.3 billion in 2010 to \$3.5 billion in 2018.

See [KKR Completes Acquisition of BMC Software \(https://media.kkr.com/news-releases/news-release-details/kkr-completes-acquisition-bmc-software\)](https://media.kkr.com/news-releases/news-release-details/kkr-completes-acquisition-bmc-software) for details on the announcement of the BMC acquisition.

See [Broadcom Inc. Completes Acquisition of CA Technologies](https://www.broadcom.com/company/news/financial-releases/2375294) (<https://www.broadcom.com/company/news/financial-releases/2375294>) for details on the announcement of the CA Technologies acquisition.

Gartner's community of more than 1,200 analysts engages in more than 250,000 one-on-one client interactions each year. Conclusions are based on Gartner interaction data with Gartner clients purchasing ITSM tools collected during the past 18 months (as of 1 July 2019).

Gartner collects ITSM tool statistics from anonymized client inquiries detailing ITSM tools in use, scheduled for replacement and on shortlists for selection.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and

other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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