

Magic Quadrant for IT Service Management Tools

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IT service management tools are vital for infrastructure and operations organizations to deliver business value in the services they provide. This research profiles vendors in the enterprise ITSM tool market to help I&O leaders align them against their current and future IT roadmaps

Market Definition/Description

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 business value with 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 core ITSM capabilities such as incident, request and change management, and limited integration with ITOM solutions.
- Intermediate ITSM tools that have broad ITSM capabilities such as configuration, problem and service-level management, 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, provide advanced workflow support, and, increasingly, AITSM and collaboration capabilities. They also provide broad ITOM functionality natively or integrate with advanced third-party ITOM solutions.

In response to digital disruption, ITSM tools are beginning to address integration requirements with the DevOps toolchain and support for agile workflows across ITSM processes.

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

Magic Quadrant

Figure 1: Magic Quadrant for IT Service Management Tools

Source Gartner (October 2020)



Vendor Strengths and Cautions

Axios Systems

Axios Systems is a Niche Player in this Magic Quadrant.

Its assist product is focused on extending ITSM across multiple channels, augmented by a broader set of ITOM and IT business management (ITBM) extensions. It is targeted at organizations with a basic to intermediate level of I&O maturity. Since the last publication of this Magic Quadrant, the vendor has introduced new product bundling for its self-service offerings, updated mobile support features and added integrations into Azure Cognitive Services.

Strengths

- **ITSM Focus:** Axios' primary revenue source is ITSM tools, which allows it to focus its resources and attention on ITSM products more than competitors that concentrate on different use cases.
- **Customer Engagement:** Axios actively leverages numerous customer communication channels to foster user communities, build advocacy and drive most of its product enhancement roadmap.
- **Emerging Markets:** Axios has a growing presence in emerging markets, including Latin America and the Middle East, with a broad distribution of revenue across the major geographies.

Cautions

- **Size:** Axios has the smallest market share of the vendors in this Magic Quadrant, and growth in customer numbers and revenue has lagged behind that of its competitors.
- **Product Investment:** While Axios focuses on new functionality, some core components are showing their age. Customers have cited the UX and self-service portal as feeling dated compared with other products in the market.
- **Churn Risk:** Axios' strategy of focusing on a smaller number of enterprise customers, rather than on the midmarket, exposes it to higher risk in the case of renewal challenges with these customers.

BMC

BMC is a Leader in this Magic Quadrant.

BMC offers four ITSM products; its flagship product, BMC Helix ITSM, is focused on providing deep ITSM capabilities with integrations into other BMC ITOM solutions on

its BMC Helix platform. It is targeted at organizations with intermediate to advanced levels of I&O maturity. Since the last publication, of this Magic Quadrant, BMC released an automation dashboard, introduced ChatOps integrations into third-party collaboration tools, and updated both discovery and AITSM functionality.

Strengths

- **Advanced ITSM:** Gartner's Critical Capabilities research determined that BMC Helix ITSM scored highest for the advanced I&O maturity use case, indicating it is strongly suited to meet the requirements of highly mature I&O organizations.
- **Partner Network:** BMC has built a robust set of channel and technology partnerships that broaden its ability to reach its target customers and integrate adjacent and complementary technology into its platform.
- **ITOM Depth:** BMC has a broad ITOM software portfolio, making it a viable partner for mature I&O organizations that need to extend their ITSM tools.

Cautions

- **Legacy Perception:** BMC's rebranding of its Remedy product and broader BMC Helix platform messaging has yet to resonate with customers that still associate the product with legacy experiences. Gartner clients still commonly see Helix ITSM as a point solution rather than embracing BMC's broader Helix platform value proposition.
- **Recent Acquisitions:** BMC's 2020 acquisitions of Compuware and RSM Partners reflect its recent investment in the mainframe, rather than acquisitions that directly result in complementary ITSM functionality. In addition, BMC relies on partnerships and integrations for some of its newer features. These have resulted in a perception among some BMC customers of a shifting focus to the mainframe rather than ITSM.
- **Virtual Agent Adoption:** Despite its ongoing investment in the feature, BMC has only a small number of customer deployments around its ITSM chatbot technology. Gartner regularly receives calls from clients about virtual agents, but not from clients deploying BMC Helix Chatbot.

Broadcom

Broadcom is a Niche Player in this year's Magic Quadrant.

Its CA Service Management product is focused on providing core ITSM capabilities integrated into Broadcom's broader suite of enterprise software products. It is targeted at organizations with intermediate to advanced I&O maturity. Since the last publication of this Magic Quadrant, Broadcom released its chatbot, Aria, Docker container-based deployment and updated APIs.

Strengths

- **Global Presence:** Broadcom's ecosystem of value-added resellers, system integrators and regional offices provides a far broader global presence than many of its competitors.
- **Product Portfolio:** Broadcom has a large software portfolio, creating opportunities for both cross-selling to its core target accounts as well as DevOps alignment through integration with CA Release Automation, Clarity PPM and Rally.
- **MSP Deployments:** Broadcom has many managed service provider (MSP) customers on CA Service Management. Its multitenant architecture has enabled Broadcom's MSPs and hosting providers to support multiple customers on a single implementation of its product.

Cautions

- **Innovations:** The pace of innovation and release cadence for new features lags behind the other advanced ITSM tools in this Magic Quadrant. Broadcom provides limited AITSM support and lacks DevOps integration outside of its own products.
- **SaaS:** 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 cloud-based ITSM tool offering.
- **Customer Interest:** Broadcom's focus on marketing CA Service Management directly to a small number of strategic accounts limits its visibility to potential prospects. CA Service Management was very rarely included in Gartner clients' ITSM tool shortlists over the past two years

Cherwell Software

Cherwell Software is a Challenger in this Magic Quadrant.

Its Cherwell Service Management product focuses on providing ITSM capabilities built on a low-code platform and extended into other business workflows. It is targeted at organizations with intermediate levels of I&O maturity. Since the last publication of this Magic Quadrant, Cherwell has released a new UI, Slack Integration, sentiment analysis and virtual agent updates.

Strengths

- **Low-Code Platform:** Cherwell demonstrates a platform-style solution that many customers find more easily upgradable and lower maintenance compared with other intermediate to advanced ITSM solutions.
- **Buyer Mind Share:** Cherwell continues to enjoy significant mind share among Gartner clients looking at intermediate ITSM tools. It was the second most frequently shortlisted vendor by Gartner clients in 2019, as with past years.
- **Product Extensibility:** Cherwell maintains a large and growing set of integrations and community-driven extensions to its platform via its Mergeable Applications (mApp) Exchange.

Cautions

- **Technical Support:** Several Cherwell customers have advised Gartner that the quality and responsiveness of support they've received from the vendor have declined over the past year.
- **New Features:** Cherwell's innovation in ITSM has lagged behind many of its closest competitors. Several new features released were incomplete, lacking capabilities found standard in other tools (for example, live chat integration lacking basic presence detection, and walk-up support lacking appointment scheduling).
- **Global Presence:** Cherwell's SaaS data center and direct sales presence is limited to North America, Western Europe and Australia. It only has a small customer footprint outside of these locations.

EasyVista

EasyVista is a Niche Player in this Magic Quadrant.

Its EV Service Manager product is focused on providing a low-overhead ITSM tool with guided knowledge management to support both business and IT consumers. It is targeted at organizations with various levels of I&O maturity. Since the last publication of this Magic Quadrant, EasyVista introduced a new report builder,

updated its virtual agent, and added several IT and business-consumer-facing UI updates.

Strengths

- **Customer Retention:** EasyVista maintains a good relationship with its customers, including providing a direct channel for them to vote on new capabilities and enhancements. It achieved strong customer retention in 2019.
- **Total Cost of Ownership (TCO):** EasyVista maintains one of the lowest overheads for the products evaluated, with concurrent licensing, quick-start implementation options and bundled asset management.
- **Growth:** EasyVista saw strong annual revenue growth over the past two years for its size, driven particularly by operations in the U.S. and France.

Cautions

- **Sales Channels:** A significant portion of EasyVista's sales are direct rather than through partner channels. This will limit its global outreach, particularly in emerging markets where it has little presence, such as Asia, the Middle East and Latin America.
- **Brand Awareness:** EasyVista does not regularly appear on Gartner client shortlists and rarely is shortlisted outside of the U.S. and France.
- **Emerging Features:** EasyVista's rate of innovation in the integration and adoption of machine learning technologies to augment IT staff, as well as the use of live collaboration to enable new support models, is not as advanced as its competitors

Freshworks

Freshworks is a Niche Player in this Magic Quadrant.

Its Freshservice product focuses on providing a low-overhead ITSM tool that is easy to use and configure. It is targeted at customers with basic to intermediate I&O maturity. Since the last publication of this Magic Quadrant, Freshworks released several updates to core ITSM functionality in its product, introduced new conversational interfaces, and acquired AnsweriQ and Flint in early 2020 for AI and ITOM functionality.

Strengths

- **Growth:** Freshworks achieved the highest percentage of year-over-year growth in its ITSM tool business of all the vendors evaluated in this Magic Quadrant. Its Freshservice product has a large and growing installed base among small and midsize businesses (SMBs).
- **Rapid Updates:** 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.
- **Global Expansion:** Freshworks opened five new offices across North America, Europe and India, and grew its partner network across North America, Europe and the Middle East, in 2019.

Cautions

- **Advanced Functionality:** 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.
- **Upmarket Aspirations:** Freshworks' attention to enterprise customers risks its predominantly SMB and midmarket customer base, as the vendor devotes support and development resources to go after the more advanced needs of the enterprise.
- **Market Focus:** The majority of Freshworks' 2019 revenue is derived from its other products, such as those for customer service management and sales force automation.

IBM

IBM is a Niche Player in this Magic Quadrant.

Its Control Desk product is focused on extending IBM's ITSM capabilities to IBM Global Technology Services customers, along with those looking for deeper enterprise asset management integration. It is targeted at organizations with advanced I&O maturity. Since the last publication of this Magic Quadrant, IBM enabled container-based deployment and out-of-the-box integration into Watson Assistant, and updated integration into IBM Maximo Asset Management.

Strengths

- **EAM Support:** By offering a shared platform between Maximo Asset Management and Control Desk, IBM provides a structured approach to managing both IT and enterprise assets to its customers.
- **Global Network:** 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.
- **Native Integration:** The vendor offers significant technology integration options across the IBM estate of solutions, including its automation, monitoring, cloud management, reporting and development products.

Cautions

- **Market Presence:** IBM's ITSM offerings have limited appeal outside of its existing customer base because the vendor typically gears its pricing and marketing around selling Control Desk as part of a larger managed service outsourcing, ITOM or IT/OT purchase. Gartner clients rarely consider IBM on their shortlists when choosing a new ITSM tool.
- **Watson:** Given the strength and breadth of the Watson AI brand, IBM has been slow to exploit it on its ITSM platform to expand its AITSM and virtual agent capabilities, and is still far behind market competitors in integrations of Watson technology.
- **Customer Deployments:** Despite targeting enterprise customers, IBM has a disproportionately high number of small volume deals compared with similarly-focused vendors. This suggests, in many cases, that Control Desk customers are not using it as their primary ITSM tool.

Ivanti

Ivanti is a Leader in this Magic Quadrant.

Its Service Manager product is focused on driving more support automation for edge devices through a combination of automation and self-service capabilities. It is targeted at intermediate to advanced I&O maturity organizations. Since the last publication of this Magic Quadrant, Ivanti released its self-healing automation bots, Ivanti Neurons for Healing, as well as new IT-focused mobile applications.

Strengths

- **Edge Support Innovation:** Ivanti extends its ITSM product with a deep set of integrated solutions for discovery, endpoint automation and self-enablement.

Its newly released Ivanti Neurons for Healing provides a unique differentiation in this market to proactively monitor and remediate common issues on an end user's device.

- **Market Awareness:** Ivanti has marketed effectively through channels that cater to organizations with intermediate I&O maturity, and regularly appears on customer shortlists.
- **Regulatory Compliance:** Ivanti Service Manager meets a number of regulatory standards, including HIPAA and FedRAMP. By attaining Federal Risk and Authorization Management Program (FedRAMP) certification for its Service Manager product in 4Q19, Ivanti is one of only a few vendors in this Magic Quadrant to meet this designation and, as a result, better positions itself to expand its public-sector business.

Cautions

- **Product Portfolio Messaging:** Ivanti's portfolio has appeared disjointed to customers rather than telling a cohesive story across its products. As a result, customers often perceive Ivanti as a point solution rather than a strategic solution provider.
- **Back-End Configuration:** Despite the vendor providing graphical workflow design capabilities, Ivanti customers have cited challenges with the initial configuration of Service Manager.
- **Emerging Markets:** Ivanti has a lesser presence in emerging markets, such as those countries with emerging market economies in the Asia/Pacific region, Latin America and the Middle East, challenging its growth ambitions in those regions.

ManageEngine

ManageEngine is a Niche Player in this Magic Quadrant.

Its ServiceDesk Plus is focused on providing a low-overhead ITSM tool with integration to its broader suite of products. It targets midsize and basic I&O maturity organizations. Since the last publication of this Magic Quadrant, ManageEngine released several updates to the core ITSM functionality in its product, introduced a release management module and expanded its graphical workflow support.

Strengths

- **Installed Base:** ManageEngine has a large and geographically distributed customer base. The vendor is particularly strong among SMBs.
- **Midmarket Pricing Strategy:** ManageEngine's low-cost and flexible pricing tiers align well to the needs of low-maturity and midsize organizations.
- **Product Portfolio:** ManageEngine offers a broad portfolio of complementary products, including endpoint management, network monitoring, application monitoring and Active Directory management solutions that integrate into ServiceDesk Plus and provide cross-selling opportunities.

Cautions

- **Innovation:** Innovation has lagged behind the competition targeting similar customers. Many of the newer enhancements come from integration with other Zoho (ManageEngine is a division of Zoho) microservices and stand-alone tools.
- **Feature Parity:** ManageEngine lacks feature parity between the SaaS and on-premises versions of its ITSM product. For example, on-premises customers do not have access to release management support and not all out-of-the-box integrations are available across both on-premises and SaaS offerings.
- **Branding:** ManageEngine's marketing and branding of its ITSM product as a help desk tool rather than a full ITSM solution limits its appeal to larger enterprise customers because it focuses on only a basic subset of ITSM needs.

Micro Focus

Micro Focus is a Niche Player in this Magic Quadrant.

Its Service Management Automation X (SMAX) is focused on providing core ITSM capabilities on a no-code platform integrated into Micro Focus' broader suite of enterprise software products. It is targeted at organizations of intermediate to advanced I&O maturity. Since the last publication of this Magic Quadrant, Micro Focus added a SaaS offering, natural language understanding to its virtual agent and the ability to extend SMAX with custom apps.

Strengths

- **Bundled AI:** Micro Focus includes its embedded AI/ML capabilities as part of its standard license, which can lower the barrier of entry for customers looking to explore the use of this technology to enhance ITSM processes.

- **Product Portfolio:** Micro Focus has a broad portfolio of software including ITOM and development products for customers looking to extend their ITSM investments.
- **Codeless Configuration:** Micro Focus has designed its product around a codeless workflow configuration. This addresses a key challenge of buyers to reduce implementation time and ongoing administrative resource requirements.

Cautions

- **Buyer Mind Share:** Among Gartner clients, Micro Focus has not generated increased interest around its SMAX product. Based on Gartner client inquiries, Micro Focus seldom appears on shortlists for ITSM tools.
- **Decreased Revenue:** While SMAX as a new product is gaining customers, both Micro Focus and its overall ITSM portfolio had decreased year-over-year revenue in 2019.
- **Limited SaaS Experience:** Although Microfocus has a SaaS offering, it lacks an established customer base. Customers looking for the convenience of a SaaS implementation may be concerned that this service is currently only available in North America and Europe.

ServiceNow

ServiceNow is a Leader in this Magic Quadrant.

Its IT Service Management product is focused on providing a single platform connecting ITSM and non-IT workflows, augmented by a set of native AIOps and ITOM extensions. It is targeted at organizations with intermediate to advanced I&O maturity. Since the last publication of this Magic Quadrant, ServiceNow made platform-level acquisitions to add native AI, ML and natural language processing functionality, and added workspaces for service owner and vendor manager roles.

Strengths

- **Market Presence:** 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 four times that of its closest competitor.
- **Partner Ecosystem:** As a result of ServiceNow's dominant market position, its platform has helped build a strong partner ecosystem, including professional

services and integrations. In 2019, ServiceNow made significant updates to its partner program to help customers identify the right partners and to drive more consistent experiences when working with them.

- **AITSM Investment:** ServiceNow's acquisition of several AI- and ML-focused companies provides it with not only native IP to engineer into its platform, but also in-house expertise to innovate these features over time. Many of the vendor's competitors rely on third-party partnerships for this extended functionality.

Cautions

- **Pricing Model:** ServiceNow lacks the license model flexibility of many of its closest competitors. Customers with large numbers of occasional users struggle to justify its role-based named user licensing model and Gartner has observed low adoption of its all-user licensing model alternative.
- **I&O Maturity of Buyers:** Interactions with Gartner clients indicate that organizations that have not yet achieved high levels of I&O maturity struggle to demonstrate substantial 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 than the entry-level Standard edition.
- **Renewals:** Some Gartner clients are concerned that ServiceNow's market position is hurting their ability to negotiate their contract or reduce their footprint without heavy impacts to their current discount. This is significant for organizations looking to reduce or optimize spend through downsizing their ITSM footprint in response to adverse financial impacts resulting from compulsory COVID-19 response measures.

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 any 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.

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Added

ManageEngine was added to this Magic Quadrant.

Dropped

No vendors were dropped from this Magic Quadrant.

Inclusion and Exclusion Criteria

To qualify for inclusion, vendors need to meet the following:

- Sell and market an ITSM product that includes native functionality for IT incident management, problem management, change management, release governance, IT user self-service (for knowledge and request management), IT knowledge management, IT service support analytics and reporting, and SLA management with regard to incident and service requests. Also, a graphical process designer must be used to modify at least one-third of 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) over the past 12 months (since 1 April 2019).
- 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 2018).
- Have at least \$40 million in annual revenue derived from ITSM products during the calendar year of 2019 *or* at least \$30 million in annual revenue derived from ITSM products during the calendar year of 2019, with at least 20% year-over-year growth when compared to 2018.
 - At least half of ITSM product revenue must be derived outside of bundled outsourced and managed workplace service agreements.
- Have at least six new customers added during 2019 with either a contract value of \$300,000 for purchase of perpetually licensed ITSM tool

software *or* an annual contract value of \$150,000 for subscription to ITSM tool software

- Have a sales presence or 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).

The product versions considered as part of this evaluation must have been generally available by 1 April 2020.

Vendors may have multiple products in the ITSM solution market. In these cases, each vendor was evaluated as a whole for this Magic Quadrant and for the subsequent Critical Capabilities for ITSM, and either their large-enterprise-focused product was evaluated *or* any product appearing on over 3% of Gartner client ITSM shortlists was evaluated. The products are described separately in the companion Critical Capabilities research.

Honorable Mentions

There are over 400 vendors in the market for ITSM tools. While this research identifies 11 vendors that have met our inclusion criteria, the exclusion of a vendor does not mean that the vendor and its products lack viability. Gartner regularly advises clients to also consider ITSM vendors not found in this Magic Quadrant. Below are several noteworthy vendors that did not meet all inclusion criteria but could be appropriate for clients, contingent on requirements. All vendors below were of interest to Gartner clients, as evidenced by number of times shortlisted in Gartner client inquiry discussions in 2019:

- Alemba — Alemba is exclusively focused on its ITSM tool, Alemba Service Manager (formerly vFire). It aims to simplify the request fulfillment process and offer ITSM capabilities at a low TCO. Its customers are primarily located in the U.K., U.S., and Australia. Alemba lacks the ITSM tool revenue required to satisfy Gartner's inclusion criteria for this Magic Quadrant.
- Atlassian — Atlassian complements its portfolio of development and collaboration tools with its ITSM product, Jira Service Desk. It aims to drive deeper collaboration across development and ITOM workstreams with a low-cost ITSM tool. Its customers are primarily midsize organizations. Atlassian

did not meet the individual customer revenue contribution requirement to satisfy Gartner's inclusion criteria for this Magic Quadrant.

- SolarWinds — SolarWinds complements its portfolio of IT operations management and security tools with its ITSM product, SolarWinds Service Desk (after acquiring Samanage in 2019). It aims to provide an easy-to-use ITSM tool that is integrated into its broader software portfolio. Its customers are primarily midsize organizations. SolarWinds did not meet the individual customer revenue contribution requirement to satisfy Gartner's inclusion criteria for this Magic Quadrant.
- SysAid — SysAid is exclusively focused on its ITSM tool of the same name. It aims to provide a flexible, easy-to-use ITSM product with integrated ITAM and automation features. Its customers are primarily midsize organizations. SysAid did not meet the ITSM tool revenue required to satisfy Gartner's inclusion criteria for this Magic Quadrant.
- TOPdesk — TOPdesk is exclusively focused on its ITSM tool. Its TOPdesk Enterprise aims to drive ease of use and quick implementation, while offering support for other non-IT workflows. TOPdesk's customers are primarily located in Europe. TOPdesk lacks some of the graphical process designer capabilities required to fully satisfy Gartner's inclusion criteria for this Magic Quadrant.

Evaluation Criteria

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/Description and detailed in the subcriteria.

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 assesses the likelihood that the individual business unit will continue investing in the product, continue offering the product and 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.

Table 1: Ability to Execute Evaluation Criteria

Enlarge Table

Evaluation Criteria	Weighting
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	High
Market Responsiveness/Record	Medium

Evaluation Criteria	Weighting
Marketing Execution	Medium
Customer Experience	Medium
Operations	NotRated

Source: Gartner (October 2020)

Completeness of Vision

Market Understanding: This criterion assesses 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: This criterion looks at whether the vendor has 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 evaluates 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: This criterion assesses 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: This criterion evaluates the soundness and logic of the vendor's underlying business proposition.

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

Innovation: This criterion assesses whether the vendor has direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or preemptive purposes.

Geographic Strategy: This is an assessment of 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

Enlarge Table

Evaluation Criteria	Weighting
Market Understanding	High
Marketing Strategy	High
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	NotRated
Innovation	High
Geographic Strategy	Medium

Source: Gartner (October 2020)

Quadrant Descriptions

Leaders

Leaders have executed well with broad market reach, strong customer awareness of their participation in this market and adoption (as evidenced by Gartner client interaction data, as well as their growth and market presence). The Leaders in this Magic Quadrant jointly account for more than 70% of the market share for 2019.

These vendors have a clear vision that addresses relevant challenges for I&O teams. They exhibit the levels of product, marketing and sales capabilities required to drive market acceptance.

Challengers

Challengers have executed well, growing market revenue, retaining good customer awareness and improving their ITSM product and overall viability levels enough to participate in the general-purpose market with competitive products. In general, however, Challengers are not seen as driving the market as strongly as Leaders or Visionaries.

Visionaries

Visionaries appearing in this quadrant deliver innovative products that address operationally important I&O organizational challenges — namely, optimizing operational efficiency, creating more agile ITSM processes and enhancing the experiences offered to business consumers — 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

Niche Players have strengths in particular areas of ITSM and often offer solid products for a specific use case, but generally have not invested in satisfying all the requirements to demonstrate Completeness of Vision and the Ability to Execute. The Niche Players in this Magic 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, however, the depth of out-of-the-box integration support and ITSM process support can significantly vary by product. It is important to note that this is not a direct evaluation of the ITSM products that these vendors offer. This analysis is complemented by [Critical Capabilities for IT Service Management Tools](#), which analyzes 13 capabilities that differentiate these products, weighted into three I&O-maturity-related use cases and one use case for supporting heavy agile and DevOps environments.

The use-case filter helps 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, the selection best practices included in the [6 Smart Steps for ITSM Tool Selection Success](#), inquiries with Gartner analysts and other Gartner research to define their requirements and select solutions that match their needs.

Gartner recommends that you plan to select a vendor that you believe will be in a position to support your organization's needs for at least five years, and one that demonstrates its commitment to invest in developing the tool capabilities to remain viable in the ITSM market. While the core features within these tools are fairly well-defined, a number of shifts in this market are impacting vendor roadmaps and should be considered while evaluating them. These include:

- Broader AITSM support to drive the application of context, advice, actions and interfaces of AI, automation and big data
- DevOps initiatives that require a deeper integration into the DevOps toolchain
- Enabling more flexible and agile ITSM processes
- Omnichannel and multiexperience support that create more consistent and engaging experiences across different support channels (for example, walk-up, roaming or P2P support) and interfaces (for example, mobile, web)
- Enabling greater self-service and automated request and incident resolution
- Supporting highly collaborative support models (for example, swarming)

For further insight around these key shifts in ITSM, see [2019 Strategic Roadmap for IT Service Management](#).

While many vendors are also looking at opportunities to expand into other business workflows, capabilities for processing workflows such as HR, facilities, project management and others that are not associated with ITSM are not evaluated in this research (see [The Reality of ITSM Tools as Enterprise Service Management Tools](#)).

Finally, prioritize skills, training, process optimization 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](#)). The key opportunity for a new ITSM tool is the use of this

technology to support gains in delivery maturity that ultimately drive better experiences for IT's customers.

Market Overview

The ITSM tool market is mature and 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. While the products have evolved with new capabilities to help ITSM vendors differentiate themselves and their forward visions, the market itself has been stable for several years. Several developments have impacted the ITSM market over the last year, including:

- As I&O organizations have an increased focus on experience management, ITSM tool vendors have been challenged to evolve their solutions to meet this change. This includes not only providing enhanced experiences delivered by the platform itself to both the business and IT users who access it, but also providing better ways of measuring and improving the customer sentiment around the experiences.
- As I&O leaders increasingly adopt agile and DevOps practices, a growing number of ITSM vendors are providing bidirectional visibility and integration between native and third-party development and ITSM tools.
- Several ITSM vendors are partnering with AIOps platforms and investing in developing or acquiring native machine learning and big data analytics technologies to provide 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 additional flexibility and more choices for their customers.
- A growing number of vendors are developing, marketing and, in some cases, rebranding their products to support enterprise workflows such as HR and facilities management. This potentially threatens stagnation in their ITSM roadmaps as these companies spend limited R&D and marketing budgets outside of their core market.

In addition, the COVID-19 pandemic has highlighted the need for robust ITSM tooling to enable I&O to effectively respond to significant disruption in several ways, including:

- Supporting remote collaboration that enables service desk agents, change managers and other IT staff to coordinate the response to the disruption. This is often in the form of native live chat, forums and wikis, or through integrating into common platforms such as Microsoft Teams and Slack.
- Enabling Level 0 self-service support to deflect common contacts into the service desk and relieve pressure.
- Enabling remote agents to effectively share knowledge with each other through a robust knowledge base.
- Providing a platform based on industry-accepted best practices that enables the growth of ITSM process maturity. COVID-19 and the resulting economic impact is providing a stress test that quickly exposes gaps and, in some cases, inefficiencies in current practices.

There are over 400 products in the market, but most of them are basic or intermediate tools that focus on IT service desk and ticketing functions targeted at lower-maturity I&O organizations. Vendors focused on basic- to intermediate-maturity use cases can be expected to emphasize core ITSM competencies (for example, incident management, change management and request management). They will find novel ways to leverage emerging technologies and selectively pursue non-ITSM use cases to differentiate themselves in an already crowded landscape. I&O organizations with these limited requirements should consider basic and intermediate tools to avoid overspending on license and deployment costs, and increased demand on resources to successfully manage these tools.

I&O organizations intent on achieving higher levels of maturity 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. 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. These vendors also tend to invest more heavily in innovative features like AI and ML, as their customers can leverage their scale and data quality to achieve higher results than less mature organizations. Given the increases in capability and complexity, advanced ITSM tools will be more costly and require more resources for deployment than an intermediate or a basic tool.

The market for ITSM tools continues to grow; however, the top three vendors by ITSM revenue — BMC, Ivanti and ServiceNow — combined had 70% of the market share in 2019. Gartner has seen some significant vendors consolidate their offerings over the past few years through mergers, spinoffs and product retirement, but there

has been no major consolidation in the past 12 months. However, as vendors may look to boost market share, increase global footprint or realign their portfolios, Gartner anticipates that additional consolidation in this mature market is likely.

Acronym Key and Glossary Terms

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. AITSM is important for intermediate and advanced use cases to automate and support complex environments.
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Evidence

Gartner's [Market Share: Enterprise Infrastructure Software, Worldwide, 2019](#) 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 \$4.3 billion in 2019.

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 2020).

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.

By Rich Doheny, Keith Andes, Mark Cleary



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