



A journey to profitable digital transformation

How ServiceNow changed its
own processes in 7 steps.



Why this guide? And why now?

A quick search for “digital transformation” on Google yields more than 350,000,000 results. The first mention of it was in the early 1990s. The term has run hot and cold numerous times and some are even promoting the abbreviation of “DT.”

All that said, it’s safe to assume that you do not need a lesson in what “digital transformation” is as a concept. What remains unrealized, however, is consensus over repeatable ways to actually achieve the promises talked about for so many years.



"We've had great results, but we're not superheroes. When you focus on the service experience, along with the technology, processes, and people you need to make it happen, everything else falls into place. Anyone can do this."

Mirza Baig, Director IT at ServiceNow

The ServiceNow journey as a catalyst for your own strategy.

This guide is designed to offer a practical look at how ServiceNow accomplished its own digital transformation over the past several years. It's not meant to offer a rigid set of mandatory checkboxes, but rather "food for thought" as you consider how to formulate your own unique strategy.

How is ServiceNow's digital transformation going? Here are the numbers.

Drink the champagne, eat your own dogfood... whatever phrase you prefer, we're doing it. The results have been significant.

- **For HR:** We've achieved a 60% decrease in the time to onboard employees and \$14M in productivity savings.
- **In our customer success department:** we've realized an 11-point increase in our Net Promote Score (NPS) and \$13.4M in productivity savings.
- **Within IT:** We've realized significant savings, allowing us to shift 13% of IT Ops budget from run to innovate.

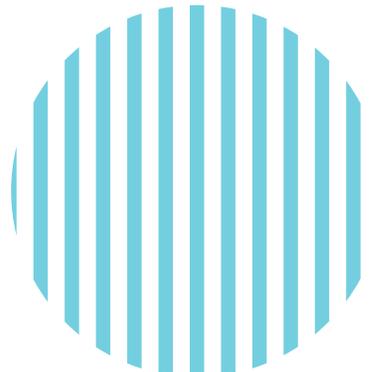
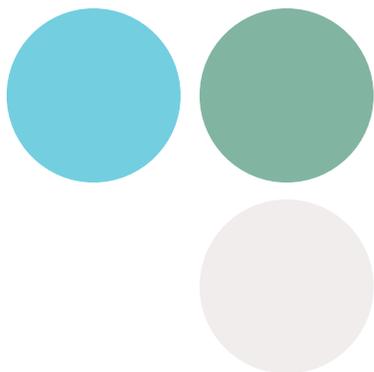
Those are just some of the numbers achieved since undertaking our digital transformation. We'll reveal the rest at the end of this guide.



At the end of the day, it's still about the money.

If the results shared from our own efforts haven't been intriguing enough to continue reading, we'll point out a finding from recent research: organizations that focus on digitization are **30% more profitable and productive** because they maximize the value from their entire workforce.*

It's a business-critical and an inspiring enough positive change to warrant taking on the significant and complex challenges ahead such as dealing with deeply entrenched legacy applications; altering multitudes of deep-rooted, slow, manual processes; and overcoming the growing specter of security threats.





How to use this guide.

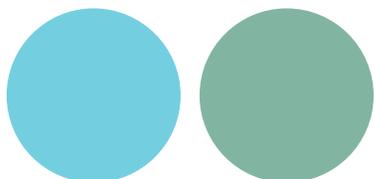
Every organization is different. Each situation, nuanced. All have different goals to achieve. We realize there's no single Do It Yourself list that can be applied to everyone, but the following pages may give you insights and ideas on how to plan and execute your own transformation efforts. To make this as scannable as possible, this ebook is divided into several sections:

Part 1: The two sides of ServiceNow's transformation. (p. 6)

Part 2: What we considered before beginning. (p. 7)

Part 3: The Maturity Model – Where we placed ourselves. (p. 10)

Part 4: The 7 steps taken to get it all done. (p. 12)





Part 1

The two sides of ServiceNow's transformation.

From the very first internal meeting of those tasked with ServiceNow's digital transformation, there was cross-department agreement on two goals: unlocking productivity and delivering great experiences. These were defined as such:

Goal 1 - Unlocking productivity:

This means finding ways to automate and digitize workflows across every department, on every type of device, and across all relevant stakeholders and personas served.

Goal 2 - Delivering great experiences:

We wanted to focus on what people encounter or experience over the course of their interaction with our applications, products, or services.

Simply put, increased productivity plus great experiences translate into happy employees. Happy employees plus increased productivity mean happy customers. And happy employees plus happy customers lead to greater profits.

Research bears this out. Happy and engaged employees, on average, have 17% higher productivity, 10% higher customer satisfaction metrics, and generate 21% higher profitability.*



Part 2

What we considered before beginning.

Speaking with our customers and exploring our own needs, we recognized that digital transformation done right can be as much a psychological or cultural shift as a technological one. This is radically different from such shifts in the past (the switch from typewriters to PCs in the 1980s, for example) where things were essentially forced on employees, partners, and vendors in a take-it-or-leave-it manner. Our corporate culture and market obsession to “Make work, work better” required creating cooperation and a shared sense of a singular purpose for all internal stakeholders. Beyond the technology and process retooling, significant change management would come into play.

C-Level Sponsor

Digital Transformation Core Team

(Digital Transformation Leader, Program Manager, and Business Analyst)

Business Unit/Department # 1



Executive Sponsor

Provides executive support, including resource & prioritization for the business unit or department



Business Process Analyst

Drives process assessment across the department
Supports analyst & formulation of recommendations



Service Owner

Provides critical information on services & processes
Executes approved recommendations



Program Manager

Manages overall program outcomes for the business unit or department

Drive enterprise-wide Digital Transformation Program

BU / Dept # 2

BU / Dept # 3

BU / Dept # 4



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How we set the stage for our success.

Getting executive support

We've all been there. Amazing plans with no support from leadership often die on the vine. Buy-in from our C-Suite was, and still is, critical. Period. This approach allows for the right mixture of carrot and stick to prioritize work across multiple teams.

Benchmarking inventory

C-Suite enthusiasm. Check. Next came the

nitty-gritty of establishing our starting point. Over the course of several weeks, we created a comprehensive inventory of current legacy systems and assessed their health and viability. We knew we'd keep some and retire others because they were no longer meeting our needs. Rationalizing applications can take time, but this step is necessary to build a strong and less complex foundation for scaling.

Assembling the transformation team

How big? How small? How much power? For ServiceNow, the core team consisted

of four mission-critical, well-defined titles: Executive Sponsor, Business Process Analyst, Service Owner, and Program Manager. This was repeated in applicable business units throughout the transformation. Each stakeholder was accountable for achieving milestones, generating progress reports, discussing challenges, and any other tasks pre-determined on a quarterly basis. This ensured that each team was continuously identifying opportunities to measure and improve progress against agreed-upon targets.



Some additional reflections. Quick wins are always smart.

We talked to our customers about their own journeys and shared our process and approach. We received positive feedback, which confirmed that we were on the right track. One piece of advice was to not to try to do everything at once because it invites failure. Too much change too fast is too challenging to absorb. So we took a “quick wins” approach. These “quick wins” were identified as:

- For HR - focusing on streamlining employee onboarding
- For Customer Service - improving case management workflow
- For IT - expediting incident response time

We also identified solid performance metrics. Everyone involved understood what was being improved and how it would impact the bottom line. This allowed us to go beyond simply saying, “We automated billing.” Instead, we put real numbers against increases in productivity and savings in employee hours and expenditures.



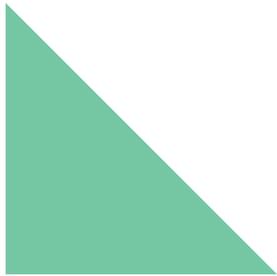
Part 3

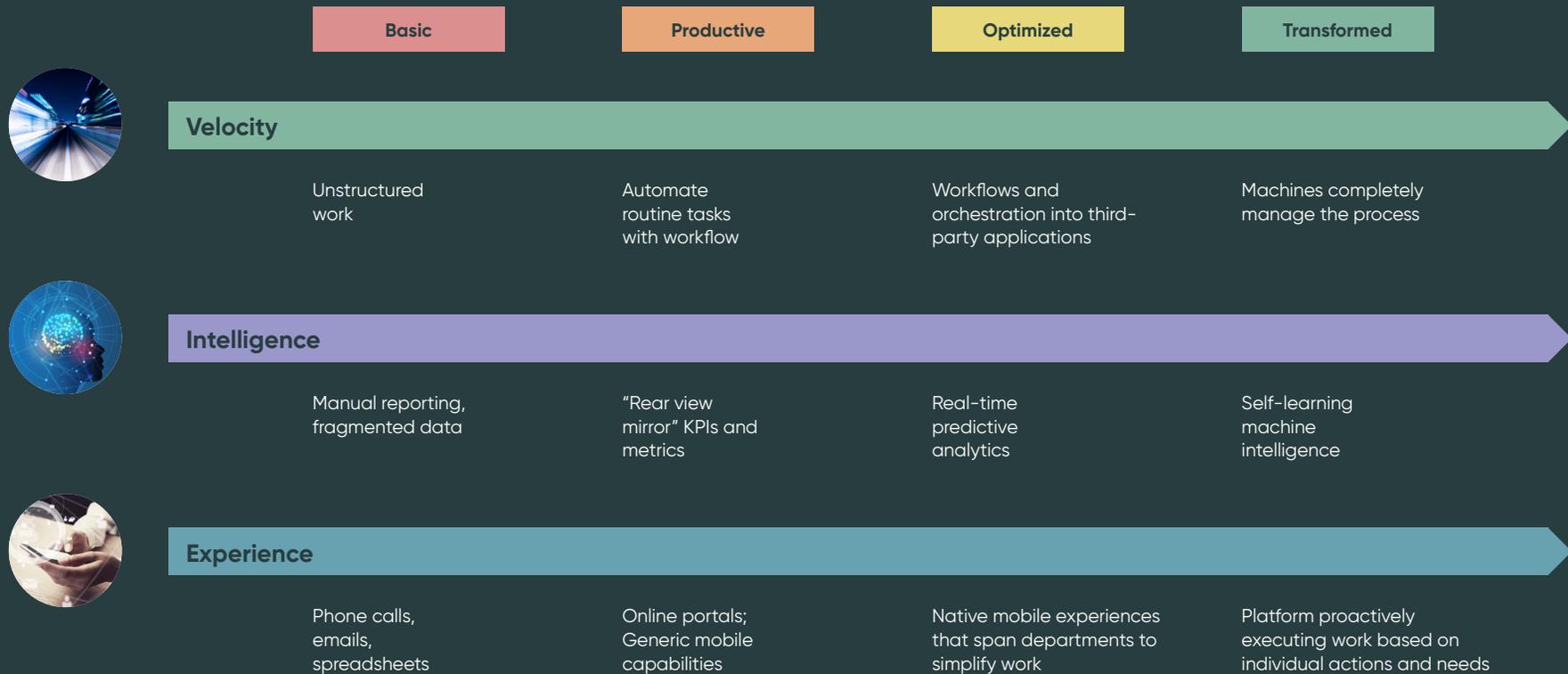
The Maturity Model – Where we placed ourselves.

Digital transformation isn't a switch that's flipped. It is a never-ending process that starts at different points for every organization. To set achievable KPIs, we needed to understand just how mature our own processes were. Working with our CIO, we identified three key imperatives:

- Velocity – innovating quickly to remain competitive and drive ongoing success
- Intelligence – moving away from manual reporting to real-time predictive analytics
- Experience – creating great employee and customer experiences that minimize both cost and inefficiencies

That information was further classified by four phases: basic, optimized, productive, and transformed. This created the framework for a single view of our starting points and progress points to ensure every stakeholder was on the same page throughout.





Where did we land? ServiceNow's initial Maturity Assessment.

The Platform conversation

Since this is an exploration of our own journey to transformation, this is a perfect time to bring up the benefits of being on a single, powerful platform. While improving processes was a lot

of hard work, we had the significant advantage of driving the technology refinements for IT, HR, and Customer Service on a single foundation. The Now Platform also enabled logical refinement of third-party solution utilization, as well as powered seamless user experiences from desktop to mobile. With any transformation effort, you want to make it easy to refine and integrate solutions. And when you offer a consistent user experience across devices, you help keep your users engaged and productive.



Part 4

The seven major steps taken to get it all done.

Here's where ServiceNow's transformation truly took place. The seven steps listed below were both independent initiatives and interdependent on one another.

- 1. Catalog your processes**
- 2. Assess each process against your digital imperative**
(velocity, intelligence, experience)
- 3. Generate a heat map**
- 4. Create a roadmap of opportunities**
- 5. Define metrics to measure progress**
- 6. Implement quarterly check-ins**
- 7. Identify next priorities, digitize, and repeat**



Step 1. Catalog processes

This step helped give definitive form to what we were trying to accomplish. Cataloging doesn't have to be granular but should be comprehensive and cover every affected department.

We started at a high level and focused on the big picture. We wanted to avoid simply digitizing existing processes. This would just lead to digitizing old processes that needed updating. To put it another way, why would you digitally catalog an inventory of typewriters if you're switching to computers?

Step #1 at ServiceNow

The ServiceNow IT department took a three-pronged approach to produce the first process catalog:

- A. We collected existing services offered to employees
- B. Used interviews to gather process information
- C. Referenced externally available data from benchmarking groups

Service	Process
Analytics	Global Headcount Reporting
Benefits	Benefits Surveys
Benefits	Leave of Absence
Benefits	Manage Wellness Programs
Benefits	Matching Gift Request
Benefits	Tuition Reimbursement US
Communications	Education and Training
Communications	KB Article Administration
Compensation	Job Change
Compensation	Market Comp Analysis
Compensation	On Call Pay
Compliance	Compliance Reporting
Compliance	Education and Training
Compliance	HR Policies and Procedures
Global Mobility	Business Travel Request
Global Mobility	Employee Relocation
Global Mobility	Visa Administration
HR	Internal Transfer
HR	Offboarding (Termination)
HR	Quarterly Calibration
HRIS	Applicant Hire
HRIS	Business Title Change
HRIS	Change Employee Cost Center
HRIS	Manager Change
HRIS	Name Change
Staffing	Early Career Hiring Request
Staffing	Employee Referral Program
Staffing	Hiring Manager Training

An example of cataloging relevant processes



Step 2. Assess each process against your digital imperative

Once we cataloged our processes, it was time to assess each one based on digital imperatives: velocity, intelligence, and experience.

ServiceNow's preliminary digital transformation imperatives:

Velocity Imperative

Process Maturity

Identify the level that best represents the maturity of this process.

Digital Platforms

Is a digital platform used to perform this process (we, of course, used ServiceNow, others may list Workday or SAP)?

Level of Effort

How much human effort is needed to perform this process?

Systems Involved

List the systems and applications involved in performing this process.

Intelligence Imperative

Reporting

Does this process use platform reporting capabilities (CRM, Tableau, Workday, etc.)?

Automated Recommendations

Does this process leverage system-generated recommendations or insights?

Automated Decisions

Does this process leverage system-executed decisions or actions?

Experience Imperative

Self-Service

Does the customer initiate this process via self-service?

Mobility

Does the customer engage this process on a mobile application (not browser)?

Personalization

Are personas defined and configured in a system and used to deliver personalized experiences?

Experience Rating

Does this process seek customer feedback or satisfaction rating after it is performed?



What we did with those imperatives.

After assessing the level of maturity of our processes, we listed which were being managed by a digital platform or system of record, the level of effort, and all the systems interrelated with the processes.

Then we determined what reports were being used for each process and double-checked that we had good data governance practices.

A process was consumed. How were employees getting things done? Customers? Other end-users? Some questions we asked were: How much still depended on phone calls to the service desk? What could be accessed via laptops and mobile devices? By whom, and what are their requirements?

This all took time in the beginning, as our service owners carefully considered and recorded the processes their teams performed.

Step #2 at ServiceNow

We wanted our employees and users to be able to access and manage processes whenever the need arose. That means as rich a mobile experience as they enjoy on their desktop. The ServiceNow platform fully supports mobile use.



Step 3.

Generate a heat map

A heat map is an incredibly useful visual representation of the digital maturity of various systems and processes. It shows the relative priority of what should be digitized and in what sequence. Using scores and data from the assessment phase, the ServiceNow heat map revealed patterns within a given department. This was used to create a single digital score that was objectively used for apple-to-apple comparisons during our transformation.

Note that the various colors used are not representative of "wrong" or "right," but of the maturity of the overall process identified as important. For example, something red might be a process that is run once a year for 100 employees, which may be lower in priority when compared to a process run quarterly for 10,000 employees. It's obvious which one you should tackle first. Wherever you choose to focus, look at impact and reducing complexity in your organization.

Digital Heat Map – IT Operations														
Digital Media	IT Employee Services			IT Infrastructure							IT Operations Governance			
Digital Media	Collaboration Services	End Point Services (EIS/CE)	Service Desk	Contact Center Services	Database & Apps Admin	Hybrid Cloud Management		Identity & Access	Network & Voice			Asset Management	Operations Management	Service Management
Video Production - Internal	Box account creation	End Point Configuration management - Windows	IT Onboarding for New Employees	Agent Management	DBA	Antivirus management	New System monitoring	AD group creation	Capacity planning	Intrusion Detection and Prevention	Capacity planning	Circuits Asset Management	Service Mapping	Change Management
Video Production - External	OneDrive account creation	Hardware Standards - mac	IT Onboarding for New Employees	Agent Provisioning	SAP ADMIN	Backup configuration	Patch management	AD group membership change	DHCP scope creation	Load balancing configuration	Dial Plan Management	Global Mobility Management	Configuration Management	Critical Escalation Management
Video Content management - External	Slack - Create Workspace	Hardware Standards - Windows	Switch boarding	Capacity planning	SAP GRC	Capacity planning	Physical server provisioning	Service account creation	DNS record creation	Network Access Management	End Point Provisioning	Hardware Asset Management	Discovery	Incident Management
Video Content management - Internal	Slack - Add Single Channel Guest Users	OS Image Deployment - Windows	Amazon Dash	Dial Plan Management	ServiceNow ADMIN	Clritx application publishing	Security remediation		Fault Management	Network Scanning	Geo DNS Record Creation	Software Asset Management	Event Management	Knowledge Base Management
Visual Design & Branding	Slack - Add Apps	OS Image Deployment - mac	Tech Lounge	IVR/Scripts/Queueing	ServiceNow Release Management	Data restoration	Server configuration management		Firewall Changes	New Device Configuration	IP Addressing			Problem Management
Event Management		OS Image management mac	Asset Bundling	Numbering Plan Management	ServiceNow SOX	Database provisioning	Server decommission		Firewall Health Monitoring	Performance Monitoring	Numbering Plan Management			Service Request Management
Live Event - Production		OS Image management - Windows	Call Center Services	Patching & Change Management		Disaster recovery testing	Shared mailbox configuration		Firewall Policy Management	Purchase Equipment	Patching & Change Management			
Live Event - Broad Casting		OS Upgrades - Mac				Distribution list configuration	Shared mailbox creation		Hardware Standards	SW Upgrades	PSTN Configuration			
Tier1 Events - Local-only		OS Upgrades - Windows				Distribution list creation	Storage zoning		HW Upgrade	Switchport Configuration	QoS (Design, Monitoring)			
Tier2 Events - Departmentwide		Patch management - Mac				Email alias configuration	Virtual server configuration		Internet Management	VLAN Creation	Upgrades and Feature Deployment			
Tier3 Events - Sub Department wide		Patch management - Windows				Equipment disposal	Virtual server provisioning		Wireless Service	Monitoring	Voice VLAN Creation			
Tier4 Events - Companywide		SW packaging - mac				ESXi Server image management	VM template management							
Digital Asset Management		SW packaging - Windows				Hardware decommission	Volume provisioning							
		SW Standards - mac				Linux cluster configuration	Windows cluster configuration							

Single Score
52

Digital Score Distribution

0-25	26-50	51-75	76-100
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Example of a completed heat map

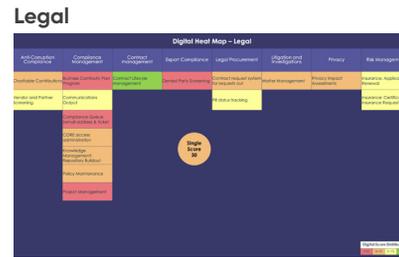
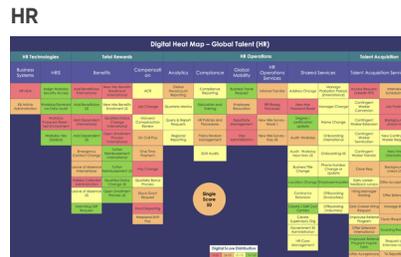


The heat map helped our team discover various opportunities and align improvements with strategic goals. We were able to focus on high-priority projects and identify quick wins to create great experiences and accelerate

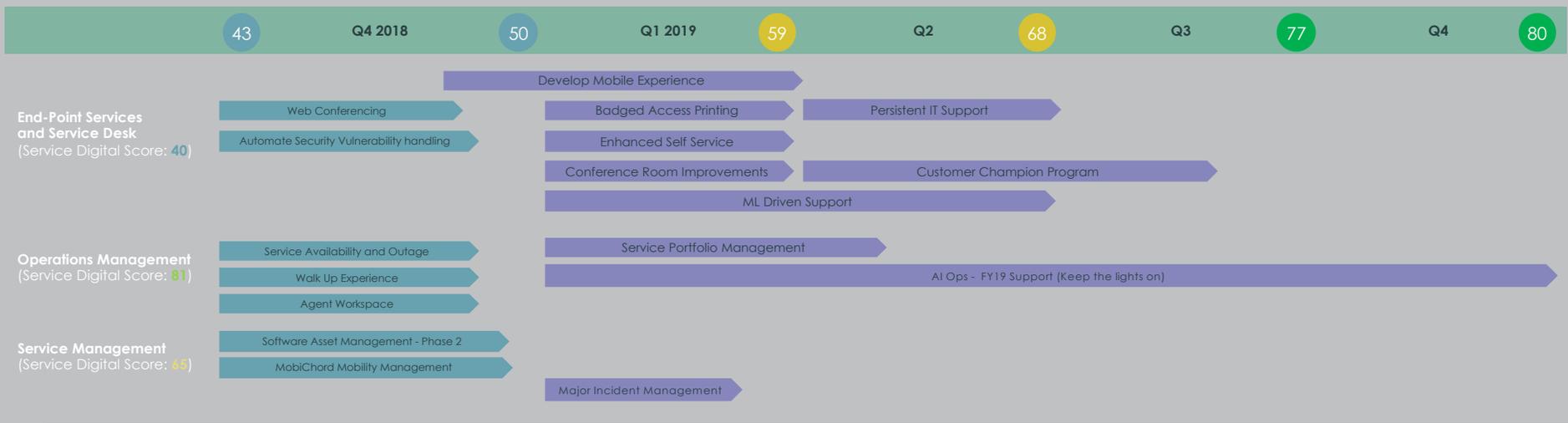
the transformation process. The heat map also made teams recognize and address differing priorities and resource capabilities. There was no room for “turfs” or ego-driven roadblocks.

Step #3 at ServiceNow

In our HR department, the first heat map we built immediately highlighted areas where employees were requesting services manually via email, which were then quickly addressed with a low-effort creation of service catalog items on our employee portal. The HR heat map also suggested we focus on more complex areas such as employee onboarding that accelerated transformation planning activities with other departments.



Different departments will have very different heat maps



A digital roadmap ensures everyone is on the same page and knows what's ahead

Step 4. Create a roadmap of opportunities

A digital roadmap lets you see where your company is now—and where it will be in the future, quarter by quarter. Created in partnership with relevant stakeholders, the ServiceNow roadmap helped eliminate silos, secrets, or surprises down the line. This provided transparency and allowed us to prioritize the highest impact projects. To create our digital roadmap we:

1. Listed heatmap scores for every applicable department
2. Evaluated what processes and/or initiatives would help improve those scores and achieve individual goals
3. Once the target scores were established, we executed our plans

A quick note: Incremental progress beats delayed perfection. Again, quick wins were the right way to approach this complex project.

Step #4 at ServiceNow

In our case, our customer support team adopted the digital transformation framework after they had already established their most critical 2019 projects. This allowed them to validate which projects were going to improve their digital maturity, which low-effort, high-return initiatives could still be accommodated in 2019, and which ones would be key investment areas for the next fiscal year.



Step 5. Define metrics to measure progress

This step is where our teams had to truly unite. Rather than simply implement a top-down operational metrics approach, our stakeholders worked together to define metrics around what the business cared about and what various teams agreed upon up front. This eliminated a one-size-fits-all approach when comparisons were inevitably made with other like-sized enterprises and competitors.

The metrics considered included cost, velocity, productivity, time-to-adoption, NPS, and whatever else was deemed both relevant and measurable. Once measurement was

agreed upon, we tapped industry-standard benchmarks such as **APQC**, **Pink Elephant**, **Gartner**, or the **KPI Library** to measure team progress.

We cannot stress how important it was to focus on incremental progress, rather than trying to accomplish everything in a single quarter. We measured (and still do) against categories important to each organization including a few small key metrics. And not all transformation metrics are monetary.

Agreed-upon metrics and how to measure them are a key to success

Step #5 at ServiceNow

As you can see, our IT dashboard contains tactical metrics (e.g. request closure time, employee satisfaction) directly influenced by our frontline staff, as well as cost metrics (e.g. spend as a percentage of revenue) that are important at the executive level for financial and strategic purposes.

Metrics	Baseline	FY18	FY19 Targets
Cost			
1. IT Ops cost as % of Revenue	3%	2.5%	2%
2. IT Ops Opex as a % of total IT Opex	40%	36%	33%
Velocity			
1. Incident Resolution Time	6 days ^s	2 days	< 2 days
2. Request Closure Time	10 days ^s	5 days	< 3 days
3. % of Changes Needing CAB Approval	20%	18%	< 10%
4. % of Incidents Resolved on First Assignment	68% ^s	78%	> 80%
Productivity			
1. Run vs Innovate ^s	60:40	70:30	60:40
2. Employee-to-IT Support Ratio	150:1	200:1	> 300:1
3. # of IT Operations FTE's per Billion of Revenue	55	48	40
Experience			
1. Employee Satisfaction on IT Services	> 85%	77% ^s	> 85%



Step 6. Implement quarterly check-ins

This was a complicated project with many moving pieces. To keep everything moving at the smartest speed, we held quarterly check-ins with all applicable stakeholders. Collaboration was key and set the tone of each check-in. Our executives provided complete support and encouraged honesty and a promise of no penalty for missed goals. This was the only way to enable the wisest and most supportable course-corrections.

Step #6 at ServiceNow

We structure our internal, C-level quarterly check-ins with this high-level agenda:

- Wins from the last quarter (both big and small)
- Before-and-after digital scores and heat maps
- Plans for the next one-two quarters
- Risks, challenges, and help needed
- Business outcomes



Step 7. Identify next priority, digitize, and repeat

After following the first six steps, it was time to take inventory of what we'd accomplished. Project leaders paused the motion to give proper time to set up an annual project roadmap.

Step #7 at ServiceNow

- Review digital assessment for opportunities
- Align against organizational and company priorities, as priorities can change
- Select the initiatives you want to tackle and assess the business value
- Enter demands into Project Portfolio Management (PPM)
- Execute

As promised, the results...and an invitation for you to undertake your own transformation.

IT workflow value realized

13%

shift of IT from run to innovation through productivity increases

1%

reduction in cost as a % of revenue

\$5.7M

In security operations productivity savings

Employee workflow value realized

60%

faster to onboard employees

\$1M+

saved between finance and audit efficiencies

\$14M

in productivity savings

Customer workflow value realized

11 PTS

increase in support-call NPS

95%

changes automated per month

\$13.4M

in productivity gains



Now it's your turn.

But you don't have to go it alone. ServiceNow has helped thousands of organizations successfully transform the way they operate so that they can thrive in today's digital age. Visit www.servicenow.com to discover how you can digitize your IT, employee, and customer workflows using the power of the Now Platform®, or spend some time exploring how other companies have worked with ServiceNow to achieve their transformation goals.

About ServiceNow

ServiceNow is making the world of work, work better for people. Our cloud-based platform and solutions deliver digital workflows that create great experiences and unlock productivity to approximately 5,400 enterprise customers worldwide, including almost 75% of the Fortune 500. Visit us at ServiceNow.com.

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