USU

Procedure in Choosing an IT Service Management Tool

A best practices guide

Content

Introduction

There are diverse reasons why an IT organization would like to replace the IT service management tool it currently uses:

→ The current tool can no longer meet greater functional requirements (e. g. lack of process, automation, or AI support).

→ The current tool is too expensive to maintain, for example because

- the old technology can only be adapted at great cost and great effort

- adequate expertise to adapt it is not available internally and it has to be bought in at great expense.

- the renewal of the present SaaS subscription leads to an unexpected cost increase

→ Maintenance for the tool or the current product version is about to end and will no longer be extended by the vendor.

The implemented ITSM solution has often been tailored extensively to individual requirements over the years and so is far removed from the original standard. That means the cost and effort of migrating to a new version of the tool is often on a similar scale to that needed to roll out a completely new solution. In situations like that, obtaining an offer from other tool vendors in order to compare it with the latest version from the current vendor is a genuine alternative.

Another problem is caused by the growing trend to rent ITSM tools through a SaaS model instead of purchasing them with a one-off license. SaaS contracts typically have a term of three years. If the manufacturer adjusts its pricing model during this time, renewing the contract can result in significant cost increases. In such cases, it's worth revisiting your tool requirements and reassessing the vendor market.

The ITSM market now includes hundreds of vendors, making it highly complex and difficult to navigate. A structured approach is essential to selecting the right tool from this extensive pool. This white paper offers key recommendations and best practices to guide your selection process. It focuses specifically on the procurement of ITSM tools, leaving out organizational challenges common to all procurement and implementation projects, such as change management.

Definition of the Objectives

It is first advisable to agree on the objectives and parameters for procuring an ITSM tool. They are the foundation for selecting potential vendors and drawing up specifications.

Objectives

- What current weak points are to be eliminated and what benefits (in monetary terms, if applicable) are to be gained from rollout of the new tool (maturity, quality, costs, satisfaction, minimization of risks)?

- Which processes are to be supported by the new tool as soon as it goes live?
- What additional processes would you like to implement in the near future (in the next 2 to 3 years)?
- What plans are there as regards long-term strategic use of the new tool (for example also as an enterprise service management system in other divisions of the company, such as Human Resources or Facility Management)?
- Which and how many interfaces to third-party systems are to be implemented?
- Which processes should be automated as much as possible, leveraging AI-based assistants?

Organizational parameters

- Who is the internal customer?
- Which departments are to be able to use the new tool after it has been put into operation?
- Which persons are actively involved in the selection project?
- Who is to be notified?
- What is the rough timetable?
- How large is the available budget?

Creation of a Rough Catalog of Requirements

In order to filter out the 5 to 10 most relevant ITSM tools from the vast number available, you first need to create a catalog of requirements defining the key requirements at a high level[1].

Most of the questions in this rough catalog of requirements should be able to be answered from the content the vendor has published on its website. That usually avoids the time-consuming process of communication with a member of the vendor's sales staff.

[1] Public-sector customers are obligated to conduct an official invitation to tender
for contracts above a specific budget limit. Preselection of bidders is not possible.

Key issues in this rough catalog of requirements are:

→ **Scope of functions**
Are all the required processes supported (ITIL®-based or non-ITIL®-based)?

→ **User interface**
Is the GUI intuitive and does it meet the needs of the specific target group?

→ **Self service**
Are there state-of-the-art, collaborative self-service functions to support end users?

→ **Automation**
Can the required processes be automated?

→ **Integration**
Can all necessary third-party systems be integrated and are there standard interfaces?

→ **Reporting and analytics**
Are the most important reports (available "out of the box")? Can custom reports be added? Are there interactive analytics options?

→ **Support and services**
Are consultants with ITIL® and project management certification available for the implementation project? Are there standard training programs?

→ **Risks**
Is the vendor financially sound? Has the product already been on the market successfully for long enough?

→ **Technology**
Is the required operating model (SaaS or on-premise) offered? Does the technology meet the IT standards defined at your company?

→ **Further development**
Are there short channels for contacting the vendor's Product Management team? Can influence be exerted on further development of the tool?

→ **Internationalization**
Are the user interface, documentation and support available in the language required by users and administrators?

→ **Performance and capabilities of the vendor**
Are there case studies and reference customers with similar projects and of a comparable scale?

→ **Customizing**
Can processes, the data model and the user interface (GUI) be adapted without the need for programming?

This rough catalog of requirements typically contains 50 to 60 criteria[2].

It is advisable to differentiate between rigid, mandatory criteria and optional criteria, which are weighted and assessed using a points system. The result is two key performance indicators for each assessed vendor: the degree to which the mandatory criteria are met and the degree to which the weighted optional criteria are met.

ITSM tool selection – Criteria for creating a long list

Requirement	Mandatory / optional	Points for optional criteria	Fulfilled?	Comment	Points for mandatory requirements (0%)	Points for optional requirements (0%)
Scope of functions						
Support of all required ITIL® processes?	Mandatory		Yes		0	0
ITIL® certification awarded (Pink Elephant, Axelos)?	Optional	1	Yes		0	0
Self-service portal available for service requests, incidents and knowledge base access?	Mandatory		Yes		0	0
Collaboration functions available (e.g. chat, communities etc.)?	Optional	2	Yes		0	0
Usage of AI to support automation and efficiency increase?	Mandatory		Yes		0	0
Can additional modules be purchased later as and when needed (gradual extension later)?	Mandatory		Yes		0	0
Can the tool also be used outside IT (e.g. in HR, Facility Management, Customer Service, etc.)	Optional	1	Yes		0	0
GUI						
Is the GUI intuitive and does it meet the needs of the specific target group (an extensive GUI for IT employees and a reduced GUI for users)?	… Please select		… Please select		0	0
Are mobile devices (tablets, smartphones) supported?	… Please select		… Please select		0	0
Accessibility requirements fulfilled?	… Please select		… Please select		0	0
Integratability						
Integration of third-party systems by web services	… Please select		… Please select		0	0
Are there interfaces to all required third-party systems (SAP, LDAP, monitoring, external ticketing systems, legacy systems for data migration, etc.)?	… Please select		… Please select		0	0
Customizing						
Can processes be customized?	… Please select		… Please select		0	0
Graphical process modeling in standard notation (e.g. BMPN)?	… Please select		… Please select		0	0
Can the GUI / data fields be customized?	… Please select		… Please select		0	0
Can the authorizations / roles be customized?	… Please select		… Please select		0	0
Is customizing possible without the need for programming?	… Please select		… Please select		0	0
Can the customer carry out customizing on its own (if applicable after training)?	… Please select		… Please select		0	0
Does your own company have the technical know-how required for customizing?	… Please select		… Please select		0	0
Automation						
Are the required automations available out-of-the-box (e.g. password reset, software distribution, etc.)?	… Please select		… Please select		0	0
Can customized automation processes also be modeled with the inclusion of external systems?	… Please select		… Please select		0	0

Figure 1: Sample catalog with rough criteria

[2] A sample catalog containing rough criteria and in Excel format can be downloaded here

Research & Assessment of Potential Vendors

You now have to research potential vendors and assess them on the basis of the above-described rough catalog of requirements.

At the end of that, the best 5 to 10 vendors are long-listed and included in the invitation to tender. Apart from tips from people you know and work with, you can also use the following methods and sources to identify potential vendors:

Research in the Internet
You can easily find 100 different vendors if you search for keywords like "IT service management tool" or "help desk software." Although it is possible to assess all of them using the rough criteria, that will certainly entail a lot of work. Consequently, alternative sources to help simplify the selection process are recommended in the following.

PeopleCert
PeopleCert owns the copyright to the ITIL® Best Practices Framework and defines the criteria tools must meet to earn a PeopleCert-ITIL® certificate. Each ITIL® practice includes numerous assessment criteria for certification. Tool manufacturers must pay a certification fee. PeopleCert provides a free list of all certified tools on its website[3].

IT-Matchmaker
IT-Matchmaker offers an online database for software searches[4]. Manufacturers can register to describe their solutions using a defined catalog of criteria. This allows interested parties to find suitable manufacturers based on their specific needs.

[3] https://atv.peoplecert.org/tool-vendor-accreditation/
[4] https://www.it-matchmaker.com/en/find-software/

Visiting trade shows & conferences

Many of the vendors operating in the DACH region attend the following events and present their products there:

- Serview Summit
- Serview Service Management Tool Meetup
- Service Desk & Service Management World of Euroforum Germany
- Annual Congress of IT Service Management Forum (itSMF) Deutschland e.V.

Consulting firms

There are a large number of companies that offer consulting support as part of an ITSM invitation of tender. These consultants are a good source of information given their practical experience in tenders. Caution is required when it comes to consulting firms that are also partners to tool vendors. The ties between consultants and vendors are sometimes not obvious. The best approach is to obtain written confirmation of the firm's independence.

Analysts

The U.S. analysts Gartner[5] and Forrester Research[6] regularly conduct tool assessments and publish the results in reports which can be obtained for a fee. However, these reports can also often be downloaded free of charge from the websites of large vendors who have been awarded a good assessment. However, these analysts only focus on the major tool vendors who have a large international footprint. Smaller vendors or those with a limited international footprint are ignored, regardless of how good and capable they are. Gartner itself therefore advises its customers to consider vendors who are not included in their reports.

The German analyst firm Research in Action addresses this gap by conducting an annual evaluation of the top 20 manufacturers of IT and enterprise service management solutions, regardless of company size[7]. What sets this evaluation apart is that the results are based on surveys of IT decision-makers. This approach ensures the report has strong practical relevance for tool selection.

Software Review Portals

Software review portals allow customers to rate the tools they use on platforms like Gartner Peer Insights, G2, and Capterra. While these ratings don't differentiate performance in detail, they do offer valuable insights into customer satisfaction.

---

[5] See Gartner Report „ Magic Quadrant for IT Service Management Platforms", 31. Oktober 2022
[6] See Forrester Report „The Forrester Wave™: Enterprise Service Management, Q4 2023

[7] Vendor Selection Matrix Enterprise Service Management Solutions – The Top Global Vendors 2024. The report can be downloaded here free of charge.

Preparation of the Invitation to Tender Documents

So that the long-listed vendors can be evaluated further, an invitation to tender is held, in which the customer describes its project in detail and requests an offer from the vendors. The invitation to tender documents usually comprise one or more documents with the following contents:

Objectives: This section is intended to give the vendor a quick overview of the invitation to tender. It describes the initial situation at the customer, the type of solution it wants, and the objectives to be achieved with the new ITSM tool. A future outlook can also be provided if it is already certain that the solution is to be extended in stages.

Scope of the invitation to tender: This presents the scope of services required from the vendor (such as software licenses, installation, customizing, training, commissioning, operations monitoring, support).

If the customer initially only wants to purchase a limited scope of services and extend the solution only later, it is also necessary to define the scope for the initial purchase phase here.

Quantity structure: This provides the vendor with information on the extent to which the ITSM tool is to be used. Important details include:

- The number and roles of the IT employees who will use the new tool

- The number of assets to be managed in the CMDB

- The number of end users who will use the self-service function

Process for the invitation to tender: This explains the process to apply to the invitation to tender:

- By when can questions be submitted and in what form (by e-mail or phone)?

- By when must the offer be received and how can it be sent (by e-mail or post)?

- In what time frame are the presentations of the offers to be held?

- In what time frame is testing planned?

- By when is it likely that a decision will be taken?

Response expected from the vendor: This explains what documents are expected from the vendor and the uniform structure for them. The contents are usually:

01 An offer document containing the following details on the vendor:

Details on the company

- Company profile (headquarters, total number of employees, number of consultants and developers for the offered product, shareholder structure, etc.)
- History and economic development, latest annual report, including a balance sheet and income statement
- Credit rating (from a bank or Creditreform)
- Proof of liability insurance
- Share of total revenue generated by the offered product
- Number of customers for the offered product worldwide and in the DACH region
- Support location
- Number of ITIL® consultants and consultants certified in project management methods

Product technology

- Impressions of the user interface (screenshots)
- Technical application architecture, interface architecture, technologies and programming languages
- Available modules (for the current invitation to tender and for future extensions)
- Customizing procedure (visuals, scripting, programming)
- Scalability
- Sizing for the defined quantity structure
- Client concept
- Backup and archiving strategy

Product development

- History (since when has the product been on the market?)
- Release strategy
- Roadmap for further product development
- What possibilities are there to submit requests for new features to Product Management?

Reference customers

Details of the planned project approach

- Proposed project organization
- Proposed multi-stage plan
- Envisaged project manager or project employees and their profiles
- Training concept (procedure, training packages, etc.)
- Quality assurance concept
- Proposed rollout concept
- Cooperation required from the customer (qualifications and volumes)

Support

- Support offering and communication channels
- Response and resolution times, depending on the severity of the reported incident
- For how long will a specific version be supported?
- Are there user forums (user groups) where customers can share information?

Costs

- License model or cloud fee model
- License fees or cloud fees for the current scope defined in the invitation to the tender and, if applicable, any future extensions to be procured
- Daily rates and service charges
- Support/maintenance costs

Contact person at the vendor for queries

02   The completed catalog of requirements

Contact data

The persons and their contact data for the term of the invitation to tender:

- Contact person from the department for questions on the contents of the invitation to tender
- Contact person from Purchasing for questions on the procedure
- Address to which the offer documents are to be sent

Detailed catalog of requirements

The detailed requirements are defined in this catalog. The vendor must specify for each requirement whether it is met by the standard version of the ITMS tool or whether adaptations are necessary. If adaptations are required, the number of person days that entails must also be specified. Although total costs are ultimately the crucial factor, the work required for adaptations is also of interest, since it is a pointer to the costs that will be incurred for later extensions.

In defining the requirements, it is important not only to bear in mind the current situation, but also allow for continuous changes. If organizations and processes keep on changing, that means the desired solution must have a high degree of flexibility. A further key metric is the size of the organization. The more employees who are to use the new tool, the more likely it is that the tool has to be adapted to their established way of work and not vice versa. In such situations, it is more cost-effective to adapt the tool than to change the organization and processes.

The number of individual requirements is mainly determined by two factors. First, there is the required scope of functions. Many of the demanded ITIL® practices or complex integration requirements drive up the number of requirements to be examined. However, organizational circumstances also play a role. The greater the different interests from different departments which have to be taken into account and the greater the supervision of procurement by upper management or the Internal Auditing department, the more careful and transparent the selection process has to be.

In practice, a few hundred requirements are soon identified as a result. Use of an Excel chart containing mandatory criteria and weighted optional criteria is recommended. That enables the results to be analyzed and compared in a structured manner[8].

Figure 2: Sample catalog containing detailed requirements

Template for questions

A tried-and-proven method is to permit questions from individual providers in in written form only and to send the responses collectively to all vendors. That ensures that all vendors have the same information. The customer should also pledge to the vendors that its responses will be part of the contract. In that way, the invitation to tender documents can be supplemented or modified in a legally compliant manner.

It also makes sense to enclose a template for the questions with the invitation to tender documents. This template should also indicate the section in the invitation to tender document to which each question relates. That means the questions from all vendors can be collected and answered in one document. Another important aspect is that the names of the vendors should not appear in the questions. That prevents the name of competitors who are also bidding for the contract from being disclosed.

[8] A sample of the detailed catalog of requirements in Excel format can be downloaded here free of charge

Obtaining & Comparing Offers

Before the invitation to tender documents are sent out, it is first necessary to examine whether use of a specific tender portal is prescribed at the company.

In particular at large companies, procurement is conducted through the central Purchasing department, which often uses a specific tender platform to ensure a consistent means of controlling the process[9]. After the invitation to tender documents have been sent to the long-listed vendors, you should allot at least two to three weeks' time for questions to be submitted and four weeks' time for the offer to be prepared.

[9] Public-sector customers often use their own tender portals, such as www.evergabe-online.de (Germany) or www.simap.ch (Switzerland). Private-sector customers have several alternatives, such as www.evergabe.de or www.subreport.de

Criteria that can be measured objectively, as well as qualitative criteria, must be included in assessing the individual offers:

	Vendor A	Vendor B
Fulfillment of the catalog of requirements		
Mandatory criteria:	100 %	100 %
Target criteria:	92 %	85 %
Adaptation work:	55 person days	35 person days
Assessment of the company:	+	++
Assessment of the product technology:	+	++
Assessment of product development:	o	+
Assessment of references:	+	+
Assessment of support:	o	+
Assessment of the project approch:	–	o
License fees/cloud fees:	€100,000	€120,000
Services charges:	€70,000	€60,000
Support/maintenance costs:	€20,000 p.a.	€24,000 p.a.
Position of the vendor:	**2**	**1**

Figure 3: Assessment of the offers

The qualitative criteria can only be assessed relatively and by comparison with other offers.

Assessing them is a subjective matter and will certainly give rise to a lively discussion, since secretly preferred vendors can be hoisted into a better position as a result.

However, the ultimate objective at this stage of the invitation to tender is to create the short list, i.e. to identify the vendors who are to be invited to present their offer. In cases of doubt, you can simply include one vendor more on the short list in order to avoid friction in the team.

Presentation of the Offers & Tests

The purpose of staging a presentation of the offers is to:

- Obtain a personal impression of the bidding company and its employees (professional expertise, social skills)

- Verify the key criteria from the catalog of requirements

- Get to know the GUI and operating concept

- Gain an insight into the functions for any extensions planned in the future

- Clarify questions either party has on the invitation to tender and offer

It is advisable to prescribe defined use cases which the vendor has to present in the tool.

That can help ensure that all important information is communicated and makes it easier for the vendors' presentations to be compared. These use cases should replicate the most important activities which users themselves are to carry out later with the tool. It is therefore also sensible to invite key users from the relevant departments to the presentations.

Depending on the scope of the planned solution, the presentation of the offers lasts between two hours and a whole day.

The ultimate result is an assessment with the following criteria:

		Vendor A	Vendor B
Number of successfully presented use cases		90%	100%
Employees of the vendor:	Professional expertise: Social skills:	++ o	+ ++
User interface:	Attractive look: Intuitive operation:	+ o	++ +
Imression of functions for future extensions:		+	++
Position of the vendor:		**2**	**1**

Figure 4: Evaluation of the tender presentations

Depending on the need to be certain about the impending decision, testing over several days can also be scheduled and staged with the favored vendor.

Purchase Decision

The results of the assessment of the offer, presentation and (if applicable) testing can now be combined so as to identify the favorites for the purchasing negotiations.

It may well be the case that both the customer and the vendor obtain new information in the course of the invitation to tender which necessitates changes or additions to the offers.

The ultimate objective in the purchasing negotiations is to identify the vendor offering the best value for money on the basis of the updated offers.

About USU

USU is a leading provider of intelligent, AI-based software and service solutions for IT service management.

Our solutions help companies digitize and automate processes for planning, implementing, and operating IT and business services. Whether for internal IT teams or service providers on the external market, we empower organizations to work more efficiently, cut costs, and boost user and customer satisfaction. With over 40 years of experience and a global presence, we're ready to help you succeed in the future.

More information

Selection of an ITSM Tool: Identify potential vendors

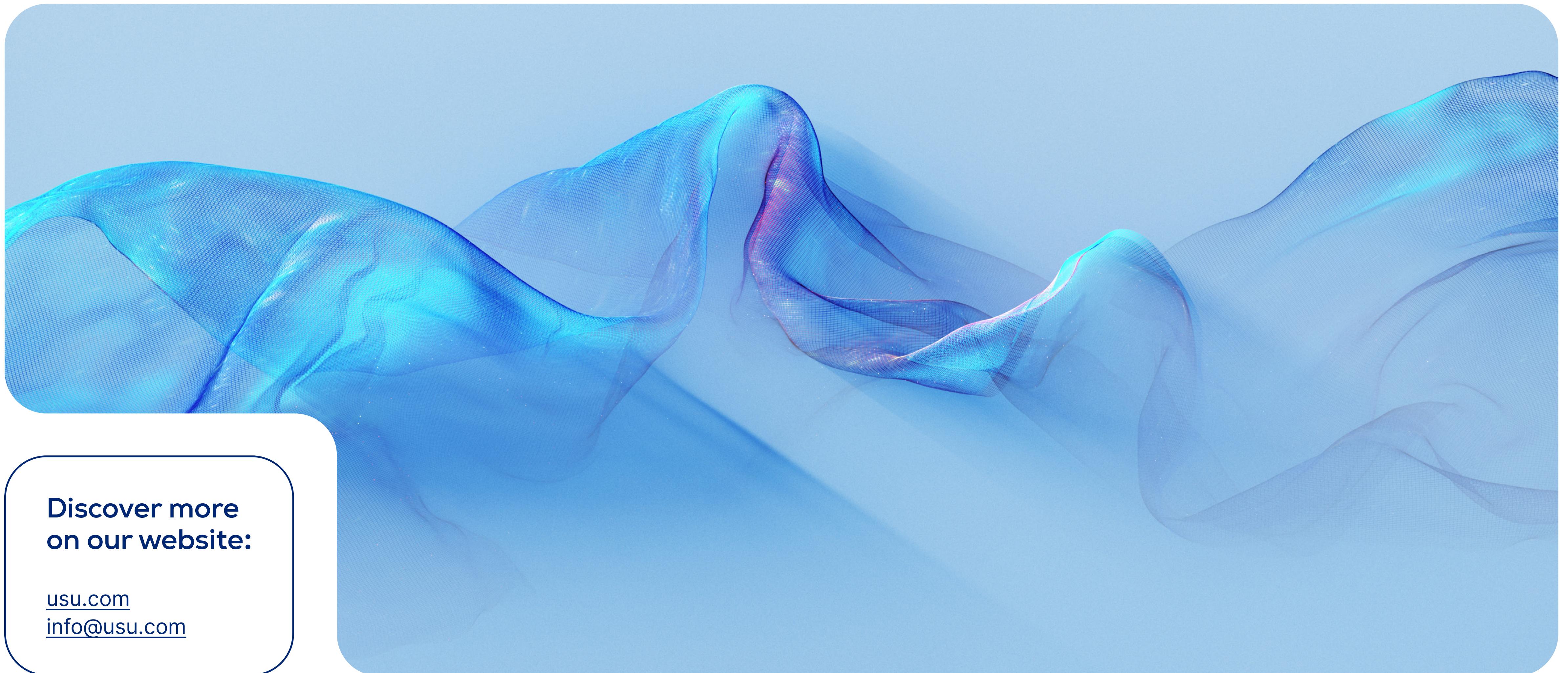Template for a list of criteria to identify the most important providers

Download

Selection of an ITSM Tool: Tool requirements catalog

Template for a catalog of detailed evaluation criteria to identify the best tool.

Download

USU
Empowered by understanding

Discover more on our website:

usu.com
info@usu.com