

Realize and manage value from your ServiceNow investments

What's in this Success Playbook

Successful ServiceNow customers recognize that effective value management is a discipline that embeds an analysis of business value in strategic decision-making in order to continuously improve the value that ServiceNow investments deliver to the enterprise. Like other disciplines, successful value management requires rigorous processes, resources, and tools.

This Success Playbook will help you build an end-to-end process to implement effective value management for your ServiceNow investments, including:

- How to plan and define the value you expect to realize from your ServiceNow investments
- How to measure value to inform strategic decision-making
- How to communicate effectively about value to all key stakeholders

Key takeaways

The most important things to know

For value management to be effective, you need to embed explicit business value definitions in your planning, metrics, communications, and frontline decision-making. When you invest in this discipline and apply organizational change management (OCM) processes, you can make sure everyone in your organization has the insight they need to make decisions based on a clear analysis of business value.

The payoff of getting this right

Customers who commit to value management as a discipline realize greater return on their ServiceNow investments—because they have clear and explicitly defined measures of business value to guide decision-making across the organization.

What you need to get started

Begin your value management process with a clearly defined business case that's supported by an engaged executive sponsor. Step 1 of this Success Playbook defines what you need to do from there to build your approach.

When you should start this activity

As soon as you invest in ServiceNow, begin investing in value management. Make sure you have an explicit definition of the value you expect from your investment. To support value-driven decision-making, work with your strategic governance function to commit resources to value tracking, value communication, and training.

Playbook overview

ServiceNow recommends four steps for effective value management.

Step		Outcome
Start At the beginning, you'll build your initial or foundational capability. This includes setting up initial frameworks, defining roles, and clarifying your objectives.	Step 1 – Define your strategic approach to value management	Your executive sponsor has explicitly defined the value you expect value from your ServiceNow investment, and your executive steering committee has made a value management that's core to strategic governance.
Improve As you improve, you'll take steps that help you reach your objectives and see value fast.	Step 2 – Build a scalable and transparent process to track value	You have the right metrics to track for value management and can monitor them to detect any variance.
	Step 3 – Build a tailored value communication strategy	You have created positive awareness of the value generated from your ServiceNow investment.
Optimize Last, you'll refine and expand your capabilities so you can scale as you grow and continuously get more from using ServiceNow.	Step 4 – Make your decisions value-driven	Key stakeholders use insights from your value management program to make strategic decisions.

Where I should start in the document?

If you haven't explicitly defined the value you expect from your ServiceNow investment, start with Step 1.

If you've defined your expected value and you're looking to build a process to measure and communicate value, start with Step 2.

If you've already started measuring value and you're looking for guidance to expand making your decisions value-driven, start with Step 4 but look at Steps 1–3 to make sure you have a strong foundation in place.

Step 1 – Define your strategic approach to value management

KEY INSIGHTS

- Make your strategic governance function aware of the investment needed to support each component of value management from measurement to OCM.
- Don't oversimplify your definition of value or confuse it with performance management.

Many organizations focus on value in their ServiceNow business case but can't answer the questions that come after implementation, such as:

- Are we capturing the right wins in our ServiceNow roadmap?
- Should we change our approach to demand management to improve our ROI?
- Where should we invest to improve adoption?

Each of these questions should prompt a decision. Value management is a structured approach that provides the insight needed to make decisions based on a clear analysis of business value. Value management should be core to *all* decisions made by your strategic governance function, and should influence the decisions made broadly by your stakeholders across the organization.

Your approach should begin with:

- A restatement, explicitly supported by your executive sponsor, of the value you expect to realize from your ServiceNow investment
- An explicit definition, communicated to your strategic governance function, of what value management encompasses
- Your goal is to ensure that value management guides the decision agenda of your strategic governance function, and to secure support for driving a broader value management program across the organization.

Start with the following action steps to define your strategic approach to value management:

- **Create an updated definition of expected business value.**

No matter how robust your original business case is, update and restate your definition of your expected business value from ServiceNow so you can account for any changes in your organization's strategic vision and direction.

Use a method that's similar to [building a business case for your ServiceNow investment](#): Start with your organization's strategic drivers or priorities, revalidate the business issues that you need to resolve to address your priorities, and restate the value drivers that indicate success for your organization. Take a look at Figure 2 for a logical framework that value management SMEs at ServiceNow frequently use.

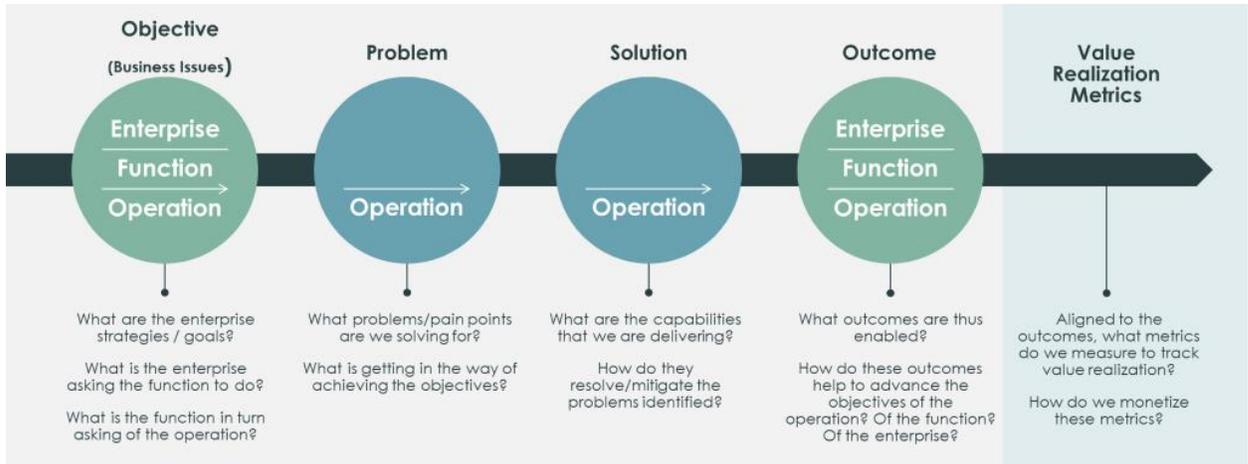


Figure 2: Framework to build business case and enable on-going value realization

Engage your executive sponsor, [strategic governance function](#), and other key stakeholders to develop answers to the questions listed in Figure 2. At the end of this exercise, consolidate and document your findings on a single page. Your goal is to connect your success criteria—the business value expected from your ServiceNow investment—with the strategic drivers and desired business outcomes articulated by your executive-level stakeholders. See Figure 3 for an example.

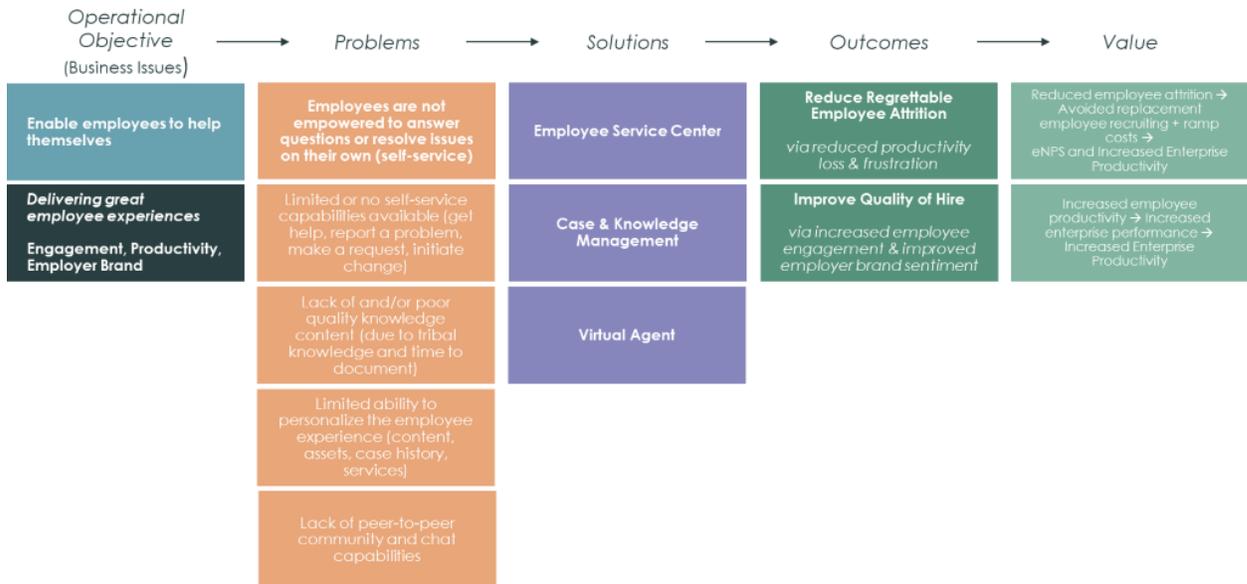


Figure 3: An example of connecting your success criteria with the strategic drivers and desired business outcomes

By completing this exercise, you make sure the solutions or ServiceNow capabilities you have align with the business outcomes and value you expect because it allows you to address the obstacles you face in realizing your outcomes.

After you finish the exercise, summarize your findings and review them with your strategic governance function. The business case and the value statement should be a living document that's explicitly approved by your executive sponsor and that your strategic governance function reviews and revisits periodically so it stays current.

EXPERT TIP

Don't overcomplicate or oversimplify your definition of value. Avoid focusing too narrowly on a single, financial definition of value, like cost reduction. Aim for one to four strategic drivers you want to target with your ServiceNow investment, and avoid the temptation of adding strategic drivers to account for every stakeholder—instead, look for common patterns across stakeholders.

- **Define the key components of value management.**

Once you've restated your expected value, educate your strategic governance function on value management and its four key components. See Figure 3.

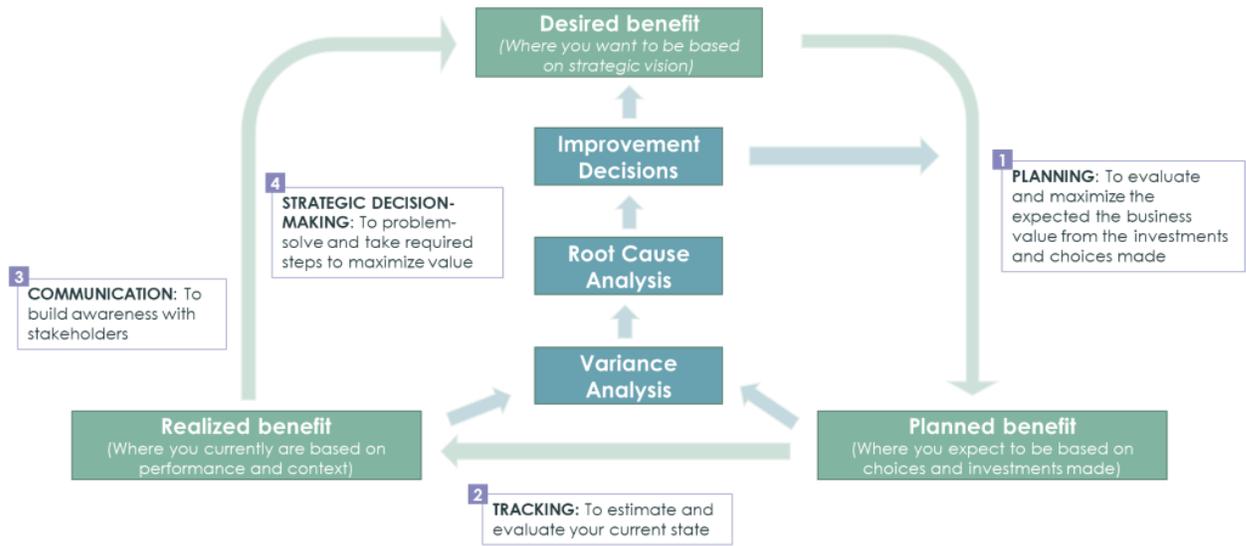


Figure 4: The value management cycle and its four components

Here's further explanation of the value management cycle's four components:

- **Planning** – Planning begins with your business case, which should define the business value you expect from your ServiceNow investment. Planning should continue as part of your strategic governance activities and ensure that the decisions you make about your ServiceNow roadmap bridge the gap between where you currently are and your desired business outcomes. Effective strategic governance helps you make sure that your definition of value incorporates any changes in your organization's strategic vision and priorities. *You cannot effectively track and manage value without a clear understanding of your vision and outcomes.* Use our Success Checklist to help you state your transformation vision and outcomes.
- **Tracking** – Tracking involves putting the right processes, resources, and tools in place to accurately measure and assess the state of your current business operations and the value you're realizing from your ServiceNow investment. This requires selecting the right metrics and key performance indicators (KPIs) to assess value and defining the insights you can derive from your metrics.
- **Communication** – Effective communication builds awareness among stakeholders, either to build support for investments shown to deliver value or to build urgency for correction steps that need to be taken to resolve any gaps in value.
- **Decision-making** – This is the most important component for value management. Decision-making focuses on problem solving:
 - First, by identifying the root causes of any gaps between the value you expect and the value you've realized
 - Second, by identifying the right actions needed to close any gaps

- Third, by incorporating these actions in your roadmap, programs, and operations and processes

As you define value management, your goal is to make your strategic governance function aware of the investment required to support each key component—from the development of robust measurement processes to the OCM needed to drive value-driven decision-making across the organization.

Throughout this Success Playbook, we look at each component in detail and outline the process for each. Review each step to determine how much your organization already has in place, and what additional investment you'll need to improve your value management practices.

EXPERT TIP

Consider working with ServiceNow or a strategic consulting firm to build a maturity framework based on the four components for value management. This will help you start with the right foundation and identify opportunities to improve your value management practices as you mature.

Build a common definition of value management among key stakeholders

A common pitfall when defining value management is to limit stakeholder engagement and education to senior executives who make or approve investment decisions. Instead, engage stakeholders across the organization when you define your value management program. Stakeholders below the senior executive level may have limited influence on investment decisions, but they play critical roles in realizing value from your ServiceNow investments.

We recommend engaging:

- Functional leaders
- Business unit leaders (including business leaders with functional spans of control)
- Service owners and managers
- Process owners and managers
- Front-line leaders and managers (such as technology tower leaders and service desk leaders)

Consider which stakeholders are key to each of the four components of value management. Use your one-page document (from Figure 2 above) to engage your stakeholders in one-on-one conversations that:

- Communicate and set expectations about the value your organization expects from its ServiceNow investment
- Build an understanding of the activities required for value management
- Define the actions and decisions your stakeholders can take to influence value management activities

Customer insights

Our customers' experience points to reveals this insight that you should keep in mind as you define your value management discipline.

INSIGHT:

Value management isn't same as performance management

As you define value management with stakeholders, you can risk defining value in terms that are too high level for some stakeholders or that confuse value management with performance management. Your engagement conversation should focus on defining value *in terms that are relevant to your stakeholder and in terms that differentiate value management from performance.*

Best practice – Explicitly define and differentiate the goals for value management and what's in it for me (WITFM) for stakeholders

In the one-pager you use to educate your stakeholders, define your goal for value management—explicitly differentiating it from performance management—and explain why it's relevant for the specific stakeholder you're engaging. Use Table 1 to get started.

	Value management	Performance management
Goal	Maximize the business value we'll realize from our ServiceNow investment	Assess whether an individual, a team, a process, or a tool has delivered a business objective
Outlook	Looking forward: What do we need to change to realize value?	Looking back: How have we performed so far?
Reference point	Associated with the overall business value of the investment	Associated with an individual's or system's performance
What's in it for me (example)	We can show the actions your team can take to accelerate value realization.	We can find the root-cause gaps in your team's performance.

Table 1: Outline for explaining value management with stakeholders (including how value management differs from performance management)

It's especially critical to explain this difference to frontline managers, and to demonstrate the relevance of value management to their day-to-day activities. But when you do it right, *value management can help frontline managers pinpoint the actions their teams can take to have the most direct impact on business value.*

What to do next

As you introduce key stakeholders to value management, also collect information on the metrics and key performance indicators they're currently using. This will provide a baseline to determine what you'll need to track for value management.

Step 2 – Build a scalable and transparent process to track value

KEY INSIGHTS

- More metrics does not equal better metrics. Stay focused and aim for no more than three metrics at each level of analysis (business outcome, process outcome, and process step) so that teams can stay focused.
- Build consensus on business-smart goals for your outcome metrics rather than focusing on being perfect.
- Don't just rely on numbers—tell the story of how you've captured value.

Tracking value requires processes, resources, and tools to accurately measure and analyze the state of your current business operations. Many organizations struggle because they overcomplicate this and generate more data they need to make effective decisions about value. Don't let *perfect* be the enemy of *good*. Start with a small and reliable process to track value and evolve it over time.

Start with these three action steps to build your process for tracking value.

1. Map the activities that contribute to business value.

To compare your current business operations and where you want to be, you need a good understanding of the activities and process steps involved in realizing business outcomes. This will help you identify where you need to put measures in place to track and manage value.

You can map activities and process steps at different levels of sophistication. (Our Success Playbook called [Reimagine how you want your work processes to flow](#) provides detailed guidance for process design). Your initial analysis can start with a simple set of questions to engage [process managers and owners](#):

- What are the key steps involved in this process (or activity)?
- What metrics and KPIs do we use to define the success of this process (or activity)?
- Who are the people involved?
- What tools do we use to support this process (or activity)?
- What information (including metrics) do we collect? How is this information currently managed?

Figure 2 shows a breakdown of the key steps involved in incident management as well as a definition of success.



Figure 2: Steps in incident management

2. Identify the metrics that drive outcomes in business activities.

Once you’ve mapped the key steps in a business process or activity, identify the metrics associated with the steps that represent the best indicators of each step’s contribution to a business outcome.

For example, a business outcome associated with your incident or case management process is customer satisfaction, as measured by customer satisfaction (CSAT) or a similar metric. As you break down your process into discrete steps, you’ll find that each step has measurable outcomes that contribute to customer satisfaction. See Figure 5 below. When your efficiency improves in each step, your mean time to resolve often improves as well. Improvements in diagnosis and resolution should improve first-call resolution rates.

You can break these metrics down further to understand the actions that can be taken by individuals and frontline workers to drive value: Both first-call resolution and mean-time-to-resolve rates can be dependent on the extent to which incidents are accurately prioritized and/or reassigned. Ideally, you should be able to identify actions at each level of work that contribute to your desired business outcome. For more detail on defining metrics, see our guidance on [ServiceNow performance measurement and analytics](#).

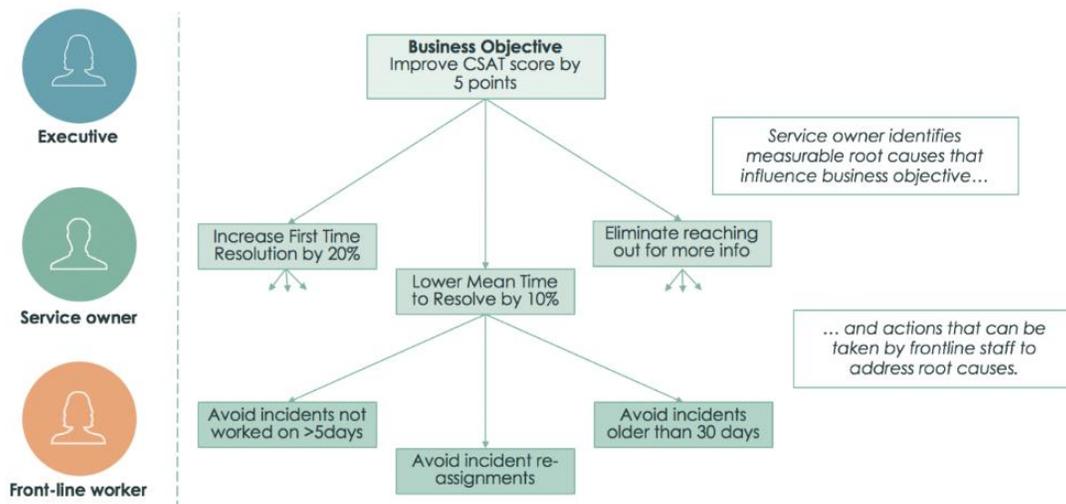


Figure 5: Breakdown of business objective into measurable root causes and actions

INSIGHT 1:

More metrics does not equal better metrics

Many organizations wrongly associate having more metrics with comprehensiveness and control. But tracking a long list of metrics can complicate decision making for leaders and front-line staff. It can also make data collection more complex, which can prevent you from focusing on making informed management decisions. Instead, stay focused and aim for no more than three metrics at each level of analysis, as shown in Figure 5 (business outcome, process outcome, and process steps). This allows the team to maintain focus and build confidence with their metrics.

Best practice – Take an agile approach to metrics selection and continuously improve

Start with an MVP mindset. Work with your executive sponsor, process owners, and service owners to identify a small, focused number of metrics for each process. Revisit these to determine whether you should continue to use them. Ask whether you're tracking the right metrics to improve business outcomes and value—if you make improvements in the metrics you've selected (like the mean time to resolve), do you see corresponding changes in your business outcomes (like customer satisfaction)?

Make sure your strategic governance function reviews and approves the metrics you define to assess your business outcomes. The strategic governance function must also revisit the metrics regularly to make sure they're relevant and evolve the metrics tracked. Remember that, as business evolves, new initiatives are started that may need a different set of metrics tracked. Also, as you mature with time, you may want to build more granularity in your tracking process.

EXPERT TIP

Review the [Metrics for the New World of Support](#) paper from HDI for additional guidance on selecting metrics that help make business decisions.

INSIGHT 2:

Build consensus around business-smart goals for your outcome metrics

Remember that your goal is to drive the best return on your ServiceNow investment—not to aim for a perfect score on each of your metrics. Organizations that lose sight of this can overinvest in trying to improve a single metric and forget the law of diminishing, marginal returns. The conversation you should have with your strategic governance function should:

- Identify the biggest gaps (or opportunities) in value that you can address
- Define your goals, that is, your return on investment against those gaps, such as the percentage improvement in CSAT

Best practice – Use peer benchmarks to help define your goals

Organizations in the same industry often use similar metrics. Benchmarking is a great way to define initial targets for the metrics you want to track. This will provide you an external reference point for use with stakeholders to build consensus on your goals and help determine if you're realizing a return on your investment. We recommend benchmarking against peers every six to 12 months. One way to do this is to sign up for the ServiceNow Performance Analytics benchmarking service.

Best practice – Review your goals against historic data to ensure feasibility

A common but effective method of forecasting is to use historical data. We recommend using historical data to assess the feasibility of the targets you've defined for your metrics—you may find that you've set your targets too low or that your goals are unrealistic.

Best practice – Perform a three-part test for the metrics you define

Any metrics you define should pass a three-part test that includes a:

- Verb that indicates the action you expect
- Noun that indicates the process, item, or service where you expect the action to happen
- Metric/data point with timeframe that quantifies the effect of the action in a defined time frame

Every metric you decide to track for value management should pass this test. A good example of a statement that passes this test is:

Using ServiceNow, we will reduce our IT asset inventory by 15% annually.

- **Verb** – Reduce
- **Noun** – IT asset inventory
- **Metric/data point with timeframe** – 15% annually

EXPERT TIP

Train your teams on using metrics effectively. Make sure they have a common understanding of metric definitions and practices for data quality.

3. Translate your metrics into estimates of financial value.

It's not sufficient to just provide qualitative promises or justification of value. Senior leaders require hard numbers, or a dollar figure, against the metrics you track, so they can effectively account for them in their conversations on budget, IT spend rationalization, and/or increasing investment. There's no single right way to do this, but the key is to avoid overcomplicating your approach—you don't want to compromise your savings in unnecessary time spent calculating your savings.

We recommend starting with a simple estimation method, oriented around four categories of business value:

- **Direct cost savings** – This can include labor cost savings, savings from decommissioned tools, and other clear efficiency gains.
- **Costs avoided** – This can include costs avoided for maintenance and licensing or for costs avoided through productivity improvements as demand grows.
- **Direct and indirect revenue benefits** – This can include growth in customer retention as experience improves or growth in revenue as employee productivity increases.
- **Additional non-financial value** – This can include improvements in branding and internal customer satisfaction.

To get to an estimate, complete these steps:

1. **Establish a baseline** – You must have a clear understanding of your starting point. Typically, organizations have this information included in their business case. If your business case is old or doesn't include the outcomes you're interested in, start with any

historical performance data you may have that can be used to calculate your current costs (or customer satisfaction, retention, etc.). For example, you can use your current mean time to resolve for incidents, multiplied by an average labor cost per hour for service agents/ reps to resolve incidents, to set a baseline for the cost per incident.

If you don't have access to historical data, ask process owners to use their best judgment to provide a starting estimate and a recommended formula for calculation. You can revise this baseline over time as you collect more reliable data.

2. **Measure the difference between the baseline and your current state** – Your value estimate is simply the difference between the calculation of your baseline and the same calculation after ServiceNow capabilities are in place and you have enough performance data. To ensure reliability, the data (for example, the mean time to resolve) and the formula you use for your estimate (which might be multiplied by the average labor cost per hour to get to the cost per incident) must be the same.

Develop your initial estimate after six months and again every quarter, using measurements aligned to your business objectives. This will make sure your teams have enough time to retool processes using ServiceNow capabilities and make the changes needed to drive your business objectives. *Be clear with stakeholders, especially executives, that these estimates are directional, rather than precise.* Your goal with estimation is not precision to the “dollars and cents” level, but to arrive at a figure that (a) indicates an order of magnitude for value creation, and (b) indicates where you may need additional action to realize value. Ensure that any communications explicitly include the assumptions behind your estimate.

Refer to our [Success Checklist: Measure Value from ServiceNow](#) for a step-by-step action plan (with examples) for calculating value.

INSIGHT:

Don't just rely on numbers—tell the story of how value is realized

The value you can show through estimates may not be self-evident or felt by your organization. You may, for example, see cost savings in IT service management processes, but these may not be evident if your service desk structure remains largely unchanged.

Typically, the value you realize is “spent” in ways that you need to explain to leaders and key stakeholders. For example, the cost savings you see in IT service management processes likely means that your service desk can handle higher demand volumes without requiring more staff. Make sure that any reporting on value communicates the full story on how you're realizing value—this means that you may need to bring in additional data points, like demand volumes, or success stories.

Best practice – Use external research and benchmarks to help quantify qualitative benefits

Quantifying the business impact of more qualitative measures, like customer experience, can be hard. Use benchmarks and external research where applicable to help set targets

for qualitative benefits. To help manage expectations, educate stakeholders on any method you use to measure financial impact.

EXPERT TIP

Transparency on how value is realized—and spent—should be a communications strategy goal for value management. Make your methods for estimation clear every time you communicate with stakeholders.

What to do next

Your approach to measurement should provide a basic architecture for a narrative you can use to communicate value to key stakeholders. Your next step is to develop a plan for these communications, tailored to influence your individual stakeholders' actions and decisions.

Step 4 – Build a targeted strategy to communicate value

KEY INSIGHTS

- Tailor your messaging to your stakeholders' roles, and the actions they need to take
- Challenge misconceptions, and build trust in your communications

Effective, proactive communication is a critical component of value management. It helps to create a positive perception of the value delivered by your ServiceNow investments and ensures stakeholders have the right information available to know what they can do to improve value.

Many organizations take a one-size-fits-all approach to communication that's focused on highlighting top-level financial estimates. But some stakeholders, especially frontline staff, can feel disconnected from these estimates or feel unable to connect these estimates to job-level actions. Your communications should instead be tailored to:

- The needs of your individual stakeholders, based on their day-to-day work
- Their perception of value
- The actions you want to enable through communication

Follow these steps to build a tailored value communication strategy:

1. Frame your messaging.

Remember that value isn't just a number—it's a story. Your messaging should communicate a story that highlights:

- The ServiceNow investments you made to support our business objectives
- The metrics you tracked and how they relate to business value
- How much value you've realized, relative to our business case and plan
- The next steps you need to take to increase business value

INSIGHT:

Tailor your messaging to your stakeholders' roles and the actions they need to take

Your messaging should connect to the outcomes and actions that your stakeholders own. Messaging to process owners, for example, might focus on process simplification activities, while messaging to executive leaders might focus on the resourcing you need to drive adoption. There are three key questions you should ask yourself with each communication:

- What is this stakeholder personally invested in?
- What action do I want this stakeholder to take?
- What (or whom) do I need this stakeholder to influence?

See our Success Quick Answer for more detail on [how to build a communication plan](#).

Best practice – Incorporate value management within a broader OCM plan

Ideally, your approach to value management communications should be part of a larger approach to OCM. This way, your ServiceNow-related communications are consistent, and you can take advantage of the stakeholder analysis, impact assessment, and risk analysis that should be part of any OCM plan. For more information, see our [Success Playbook](#).

2. Tailor the visualizations you use to report value.

Your communications should include the metrics that are most relevant to your audience. In Step 2 of this Playbook, you identified the metrics most relevant to your stakeholders. Make sure that the visualizations you provide to your stakeholders are tailored to focus on these metrics, and explain the decisions and actions they can take in response. Read our guidance for [creating custom dashboards](#), and see Figure 6 for examples of the different visualizations available in ServiceNow [Performance Analytics](#) for various stakeholders.

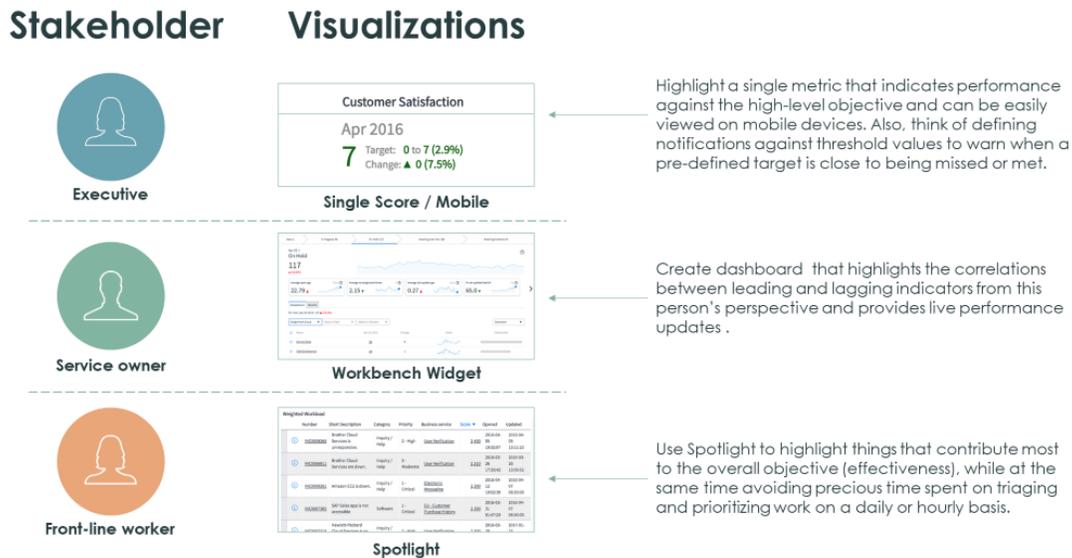


Figure 6: Examples of visualizations available in ServiceNow Performance Analytics, tailored by stakeholder

EXPERT TIP

Always use a single metric with senior executives that serves as the best indicator of value. Include a trend analysis that shows the progress you've made and that prompts insight on the additional steps that your organization can take with your ServiceNow investment. Create a [one-page summary of the value](#) ServiceNow brings to your organization.

INSIGHT:

Challenge misconceptions, and build trust in your communications

Often, irrespective of the metrics you track, some stakeholders may not trust your communications. Their perceptions of value can be colored by other experiences or false assumptions. For example, frontline staff may believe that productivity improvements will lead to job cuts. Your communications strategy must address misconceptions about value as part of your larger OCM strategy to support your ServiceNow investment.

Best practice – Include perceptions of value in your stakeholder analysis

Make sure that OCM planning surfaces any misconceptions or false assumptions about your approach to value management, and address these in your communications. Incorporate the prevalence of any misconceptions in your OCM risk assessment (see our [Success Playbook](#) for more detail), and may need to be addressed by your executive sponsor if they threaten to delay adoption.

Best practice – Use key influencers to support your value communications

The executive sponsor and ServiceNow platform owner may not always be the best individuals suited to talk about the value to key stakeholders. Consider enlisting key influencers (or ServiceNow champions) to support peer-to-peer communications, especially as ServiceNow usage expands beyond IT. Check out our [guidance for recruiting ServiceNow champions](#) for more detail on the number of influencers you may need to recruit, and their ideal profile.

Persona	Who should engage this stakeholder?
<ul style="list-style-type: none"> • Business unit and/or functional leaders (including business leaders with functional span of control) 	Executive sponsor
<ul style="list-style-type: none"> • IT leadership • IT frontline managers • Technology tower leaders 	Platform owner Peers/ServiceNow champions
<ul style="list-style-type: none"> • Program leaders and other strategic decision-makers 	Platform owner Peers/ServiceNow champions
<ul style="list-style-type: none"> • Financial and/or departmental leaders and managers 	Platform owner Peers/ServiceNow champions
<ul style="list-style-type: none"> • Service owners and process owners/managers 	Platform owner Peers/ServiceNow champions

EXPERT TIP

Don't wait until the end of an implementation project to communicate value. Instead, provide bite-sized value updates to show quick wins, to show how value is continuously added, and for timely decision-making.

EXPERT TIP

Enlist a ServiceNow champion in finance or IT finance. In addition to acting as a key influencer, this individual may be able to help you build stronger value estimation methods, as outlined in Step 2 of this Success Playbook.

What to do next

Your communications should lead your stakeholders to align the decisions they make with business value considerations. Your next step is to help governance functions and frontline teams embed value management in their decision-making processes and actions.

Step 5 – Make your decision-making value driven

KEY INSIGHTS

- Optimize the value you get from your current investments first.
- Define criteria to evaluate the effectiveness of your value management program.

Organizations often hold their ServiceNow platform team responsible for realizing value from their ServiceNow investments. But value realization should be an enterprisewide effort. It's not enough to build the right processes to track and communicate value. You must also make sure that the teams using ServiceNow take ownership of finding value and use value analyses to inform their decision-making and actions.

Note: Many organizations struggle to make informed decisions focused on maximizing value. You must ensure you're doing Steps 1–4 extremely well to make effective decisions about successful value management.

Follow these steps to make decision-making value-driven across your organization:

1. Assess your current decision-making processes.

Your ability to manage value effectively depends on the extent to which your organization's culture and decision-making processes are data driven. Organizations that have a strong, data-driven culture and processes typically have:

- Data available to assess task- and process-level performance by individuals and work groups
- Clear ownership for maintaining data quality
- Data literacy among decision-makers, at both a line and executive level

As noted in the previous section, be sure to incorporate value management in your OCM plans and include an assessment how data driven your organization is. Include this in your readiness assessment and risk assessment for OCM.

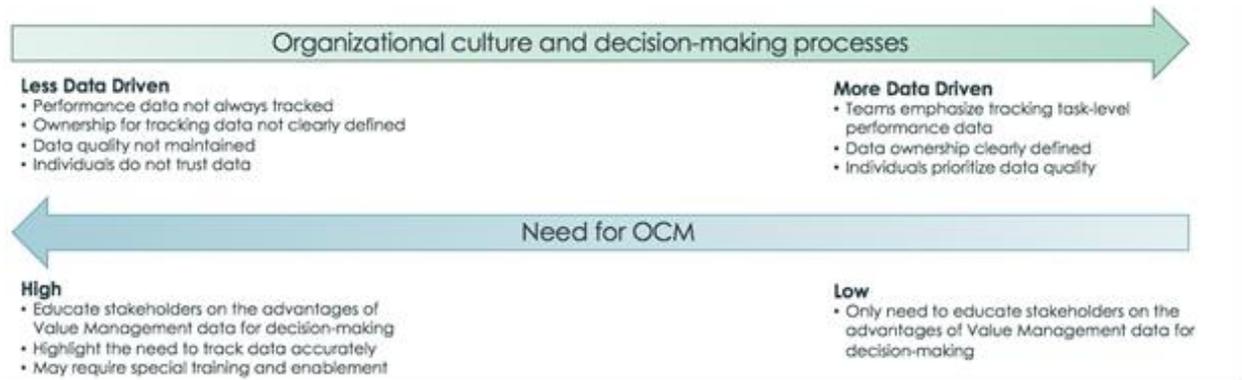


Figure 7: Factors to consider in your OCM readiness assessment for value management

In addition to OCM activities, your analysis should inform whether your organization needs to create new positions or modify existing roles to include data management and analysis responsibilities, and whether training is needed for key positions.

Your assessment should help to identify how broadly or quickly you can embed value management in decision-making. In organizations where decision-making processes are less data driven on the whole, identify the teams or processes that are more mature or open to change within your assessment in the form of a pilot. You may want to capture individual success stories first, before you scale. In organizations where data is already central to decision-making processes, you may simply need to create awareness around the availability and advantages of value management data.

2. Embed value management in ServiceNow governance

ServiceNow governance activities should be focused on driving value, whether through decisions made on the roadmap, decisions made about demand priorities, or actions taken to mitigate technical risk.

Your governance boards should have (and share) a consistent, relevant set of metrics to help them understand where value is being created and what decisions they can take to prescriptively guide value creation. The right metrics help governance boards frame the story for their decisions. They should *describe* how you arrived at your current state, *predict* your current course/speed, and *prescribe* the decision you should take to maintain or adjust that course.

Begin governance meetings with a review of relevant metrics, and ensure the following questions are included in meeting agendas (for more on a recommended structure for ServiceNow governance, see our Success Playbook on building governance):

- Strategic governance/executive steering board
- Are we capturing wins in our ServiceNow roadmap quickly enough? Where do we need to invest to realize value faster?
- What implementation opportunities should we prioritize based on our estimated business value?
- How do we compare against our peers in terms of the value realized?

EXPERT TIP

Aim for quick, highly visible wins in your implementation roadmap to demonstrate value to a wide range of stakeholders. See our Success Checklist on [building a phased program plan and identifying quick wins](#) for more detail.

- Portfolio governance/demand board
- Is our backlog prioritization aligned to our greatest opportunities for value?
- Should we change our evaluation criteria for new demands to ensure they align with our business objectives?

EXPERT TIP

Prioritize demand for ServiceNow capabilities based on a clear evaluation of value, risk, and demand size. See our Success Playbook on [managing platform demand](#) for more detail.

- Technical governance/technical governance support board
- Do we have gaps in platform manageability, security, performance, upgradeability, and/or user experience that limit our ability to realize value?
- How can we improve our implementation and upgrade processes to accelerate value realization?
- What technical policies and standards for engineering, development, and integration do we need to have in place to guard against value loss?

EXPERT TIP

Use ServiceNow HealthScan to identify gaps in technical best practices that are known to drive (or limit) value. See our [Success Quick Answer](#) for more detail.

INSIGHT:

Optimize the value you get from your current investments first

Your most immediate opportunities for value are nearly always in your existing products. We recommend benchmarking your adoption relative to peers, to identify opportunities to increase value realization. Make sure this includes using features that are available out of the box that you might not be currently using.

Best practice – Use “reach, workload, and automation” to evaluate your opportunities for value

Your strategic governance function should use three key metrics to both benchmark and assess where you can best improve your return on investment:

1. **Reach** – Percentage of your organization using ServiceNow. If this is relatively low, it's a signal that you may want to focus on investing in experience design, OCM, and other activities to drive adoption.
2. **Workload** – Percentage of workflows handled on ServiceNow versus outside ServiceNow. If this is relatively low, you should assess opportunities to [launch new digital business services](#).
3. **Automation** – Percentage of workflows automated on ServiceNow. If this is relatively low, focus on [digital workflow and process design](#) in areas with low automation.

We recommend working with ServiceNow's value management team to benchmark your organization against these metrics, and understand what you can do to improve return on your ServiceNow investment.

3. Prepare playbooks for frontline teams to respond to gaps in value.

Your teams should define thresholds for the metrics they select to track and manage value. For effective decision-making, teams should also define actions or playbooks that lay out a response when a threshold is not met. This can be done at the level of frontline teams (such as service desk teams) or at the level of process and service owners.

For example, let's say that your goal is to reduce incident management costs by 15%. You set a threshold of 10% to signal when you're off your goal and need to take action. Your process owner for incident management should have a set of predefined actions to find the root cause of the issue and identify whether there are corrective actions you can take. In this case, you may identify increases in the mean time to resolve that are attributable to errors in incident assignment. Your response could be to redefine incident assignment groups, or to use [Predictive Intelligence](#) for faster, more accurate assignment.

You should also have an upper threshold that's above your target to identify when you have an opportunity to expand value, with greater usage or additional investment.

EXPERT TIP

Engage your ServiceNow implementation partner and account manager to build a [phased program plan](#) to help you decide where to invest after you meet your target for value.

4. Proactively optimize your overall value management approach.

If value management is new for your organization, remember that implementing all of it — value planning, value tracking, value communication, and value-driven decision-making— is a journey. Approach value management practices iteratively, and continuously evaluate and evolve the maturity of your practices. Revisit your approach as your organization's strategic vision and priorities change.

INSIGHT:

Define criteria to evaluate the effectiveness of your value management program

We recommend the following checks and improvements every year. Consider scoring each of the criteria below on a 1–5 scale to identify where you may need additional investment in your value management program.

Revisit how you're defining value – Evaluate whether your value planning approach needs changes. Look for:

- Feedback from key stakeholders on whether the outcomes and value you're reporting have solved their most important business needs
- Additional business outcomes that you should prioritize and track
- Alignment between your ServiceNow investments and business outcomes

Revise value tracking – Evaluate the effectiveness of metrics you've put in place to track and manage value. Look for:

- Whether you have enough data to support your metrics. Your teams should be confident around the quality and comprehensiveness of data you collect to support your metrics.
- Whether correlations between your metrics and desired business outcomes are accurate.
- Whether metrics you've used have delivered valuable insights for decision-making. Look for metrics that you can stop tracking, due to their lack of insight.
- Whether additional metrics are needed to make better decisions.

Improve value communications – Assess how effective value communications have been in engaging stakeholders. Look for:

- Whether your stakeholder map has changed. Identify additional stakeholders who can influence or are interested in your ServiceNow roadmap.
- Whether you're effectively engaging all relevant stakeholders. Consider rolling out a survey to assess stakeholder perceptions and engagement.
- Whether your communications have influenced stakeholder perceptions positively
- Whether your stakeholders are aware of the value you've realized from your ServiceNow investment
- Whether you should change your messaging, either in terms of content or framing

Revisit decision-making – Assess whether key decision-making processes related to ServiceNow are value-driven. Look for:

- How frequently ServiceNow governance functions review value metrics and management
- A track record of decisions made based on an assessment of value
- How effective team decisions have been in realizing or improving value capture

Evaluate OCM – Like any major strategic initiative, your approach to value management should be supported by strong OCM. Look at the following factors to determine whether you need to invest in additional OCM to strengthen your value management program:

- Adoption rates for value management processes across teams
- Team and stakeholder confidence in their ability to influence and manage value
- Whether you have sufficient training and resources in place to help teams to better manage value

What to do next

Remember that value management is cyclical—continue to iterate your planning, tracking, communication, and decision-making processes as your business objectives change. It's also easy to allow value management to get lost amid the pressures of day-to-day work, so make

sure that your executive sponsor and other leaders continue to emphasize the importance of value management in their communications with teams.

The takeaway

Effective value management requires that you invest in planning, measurement and tracking, communications, and change management to promote value-driven decision-making. The most successful customers:

- Explicitly define the value they expect from their ServiceNow investments, make value management central to strategic governance, and secure executive sponsor support for a broader value management program across the organization
- Define metrics that connect business value to the actions and decisions taken by stakeholders across the organization
- Build a tailored communication and change management strategy that not only reports the value realized by the organization but that influences stakeholders to incorporate business value insights in their day-to-day work
- Promote a culture where business value considerations drive decision-making from the executive level to frontline staff

Approach value management as a structured program and continue to improve and evolve it as your definition of business value changes.

What does good, better, and best look like for this activity?

Good – Your executive sponsor has explicitly defined the expected value from your ServiceNow investment, and your executive steering committee has made value management core to strategic governance.

Better – You've put metrics in place to measure and track value and have a communications plan in place to report business value and influence stakeholder decisions.

Best – Insights derived from your value management program drive decision-making across your organization, from strategic decisions around your roadmap to frontline decisions around process and workflow optimization.

What should I convey to my team?

If value management is new for your organization, remember that implementing all of it—value planning, value tracking, value communication, and value-driven decision-making—is a journey. Approach value management practices iteratively, and continuously evaluate

and evolve the maturity of your practices. Revisit your approach as your organization's strategic vision and priorities change.

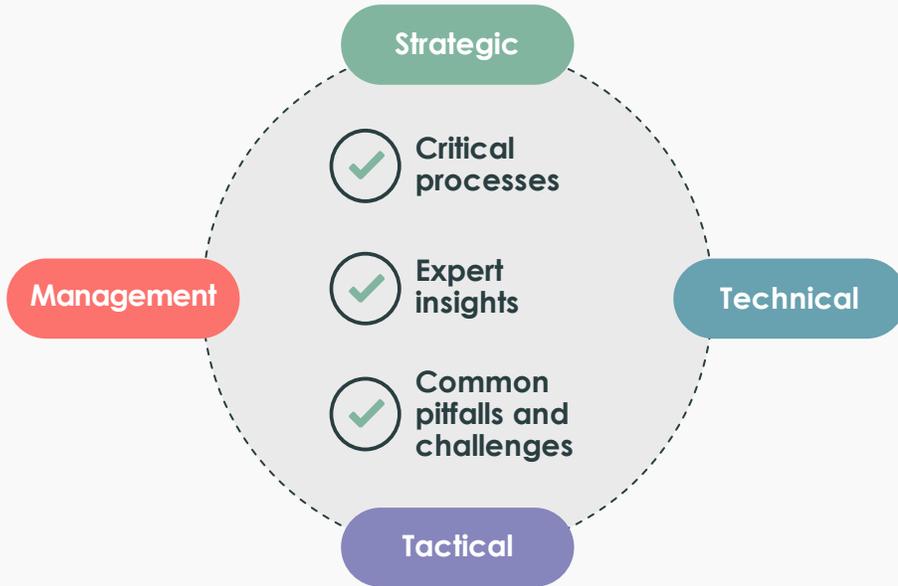
If you have any questions on this topic or you would like to be a contributor to future ServiceNow best practice content, please contact us at best.practices@servicenow.com.

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