AI + ITSM:
A guide to making IT work smarter, faster, and more efficiently

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AI is changing IT all

IT leaders face major challenges with IT Service Management (ITSM) today. From increasing complexity of IT environments, growing user expectations, and the need for swift problem resolution, there are big hurdles to overcome.

Generative AI is emerging as a rapidly transformative tool in tackling these challenges, offering advanced analytics to predict and prevent issues, automation to streamline repetitive tasks, and adaptive learning to continuously improve processes. The opportunities are boundless if you know how to use AI to your advantage.

"**40%** of generative AI solutions will be **multimodal** (text, image, audio and video) by 2027, up from 1% in 2023."

Source: Gartner

This guide explores how IT leaders can navigate complex IT service demands using gen AI. How do we know?

Freshworks has been at the forefront of AI-driven solutions such as Freddy AI for years, offering strategies and tools that make AI an indispensable ally in streamlining how work gets done.

Optimize service management while driving innovation

68% of 225 IT decision-makers say that they deal with high levels of complexity. Complexity has been a significant roadblock, slowing down agents, employees, and decision-makers.

Source: From the pulse survey conducted in 2024 by Harvard Business Review Analytic Services

Agents spend too much time on administrative tasks

Agents must deliver high-quality support every day. But, legacy IT solutions often require a lot of manual administrative work to create and complete tickets. This slows agents down and prevents them from focusing on high-priority tasks. Agents must also possess a wide breadth of knowledge to draft accurate responses to questions, which means lengthy onboarding and training sessions.

Employees can't find the answers they need

Employees expect to talk to IT whenever they need help. They're used to the around-the-clock customer support they receive from large brands. They want immediate action, but without a self-service option, ITSM solutions cannot meet this demand.

Decision-makers don't have the right insights

Leaders want to make decisions on the fly. But if they don't have the right information—or it requires running SQL queries—they can't operate quickly. Sifting through multiple reports to achieve timely insights slows down decision-making and isn't scalable.

Leveraging generative AI to navigate a complex ITSM landscape

The promise of gen AI extends beyond summarizing and analyzing data. It means asking the right questions and learning from the conversations. This capability makes it particularly suited for ITSM.

Gradual shifts have driven AI's evolution in ITSM. Originally focusing on automating simple tasks and queries through rule-based chatbots—using machine learning (ML) and analytics to automate IT operations—it has since expanded to more complex functions such as predictive analytics, automated ticket routing, and proactive issue resolution. AI agents are poised to revolutionize ITSM, increasing automation and productivity. By enabling AI to operate autonomously, it can not only automate routine tasks, but also anticipate and prevent issues before they arise.

"By 2028,

33% of enterprise software applications will **include agentic AI**, up from less than 1% in 2024, **enabling 15%** of day-to-day work decisions to be made autonomously."

Source: Gartner

AI with agency enables reimagined experiences for teams through automated workflows, task prioritization, and ticket deflection. According to the Freshservice IT Service Management Benchmark Report, 2024, organizations of various sizes across industries see a decrease in the average resolution time (ART) of 34.58% with workflows in place. Service desk integrations enable the smooth flow of data, increase visibility, reduce time to resolution, and enhance user experience. With timely insights, AI can monitor metrics, stay on top of trends and outliers, and take action.

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To unlock IT's true potential, we need to modernize our ITSM strategies. This effort involves breaking down barriers, leveraging artificial intelligence to streamline processes, and aligning ITSM with broader business goals. By doing so, we can drive business success and create a more impactful role for IT within the organization.

Ashwin Ballal
CIO, Freshworks

How AI and a modern ITSM can enhance employee experiences

Generative AI can automate tasks such as ticket categorization and prioritization, and it can even draft initial responses to improve the agent experience. AI agents can offer 24/7 personalized support through collaboration tools such as Slack or Microsoft teams, automating first-line support and resolving employee issues instantly. It can support agents by providing comprehensive reports and summarizing conversations among agents across various collaboration channels. This helps in rewiring the processes and streamlining the employee experience.

Increased efficiency

By automating repetitive and mundane tasks, intelligent automation and AI improve ITSM efficiency. AI can also help identify and address process inefficiencies, leading to faster resolution times, improved response times, and better overall service delivery.

Improved employee satisfaction

AI and intelligent automation can also help deliver better employee experience with faster response times, more accurate information, and personalized support. For example, gen AI-powered chatbots can handle routine queries and provide employees with self-service options, freeing up human agents to focus on more complex issues.

Enhanced insights

Gen AI can help identify and address potential service problems before they escalate. AI-powered conversational inquiries and recommendations provide business leaders with additional context to analyze and interpret data quickly and intelligently.

How to get started with AI in ITSM

Integrating gen AI into ITSM demands careful planning and execution. While there are challenges, a strategic implementation plan can drive meaningful business results. According to the report by Harvard Business Review Analytic Services, The Service Management Advantage: [Helping CIOs Turn IT into a Strategic Powerhouse,](#) the two most popular uses of AI in IT service management are handling user requests through multiple channels (e.g., email, voice, chat, self-service) and streamlining the process of submitting and tracking service requests. Get started with AI with the following steps:

Identify opportunities for AI-driven, people-first experiences

- **Streamline service delivery:** Identify repetitive tasks and low-value activities that can be automated, such as password resets, IT issue resolution, or HR inquiries.
- **Enhance agent productivity:** Explore opportunities to use AI copilots to assist agents with complex tasks, such as troubleshooting technical issues or providing personalized guidance.
- **Improve employee satisfaction:** Utilize AI to analyze employee feedback and identify trends, enabling proactive measures to address concerns and improve overall satisfaction.

Ensure data security and privacy

- **Data anonymization and masking:** Implement robust data protection measures to safeguard sensitive employee information.
- **Ethical AI practices:** Prioritize fairness, accountability, and transparency in AI algorithms and decision-making.
- **Vendor due diligence:** Select AI vendors with strong security practices and a commitment to ethical AI.

Set clear goals and KPIs

- **Define success metrics:** Establish measurable objectives, specific to your organization, such as reduced resolution times, increased employee satisfaction, and improved first-contact resolution rates.

- **Align with business objectives:** Ensure that AI initiatives align with broader organizational goals.
- **Track and measure:** Monitor key performance indicators (KPIs) to assess the impact or ROI (Return on Investment) of AI on employee experience.

Pilot

- **Select a pilot project:** Choose a specific use case, one that is either commonly occurring or one that can be easily mitigated by AI, such as automating IT help desk requests or providing AI-powered HR assistance.
- **Train and empower employees:** Provide training and support to ensure a smooth transition.
- **Gather feedback:** Collect feedback from employees to identify areas for improvement.

Scale and Expand

- **Phased rollout:** Gradually expand AI implementation to other areas of the business.
- **Continuous learning:** Stay updated on the latest AI trends and technologies and look for ways to innovate as opposed to using AI to just keep the lights on.
- **Monitor and optimize:** Continuously monitor the performance of AI systems and make adjustments as needed.

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Generative AI-powered agents on MS Teams provide employees with 24/7 support and shortens resolution times.

Porsche
eBike
Performance
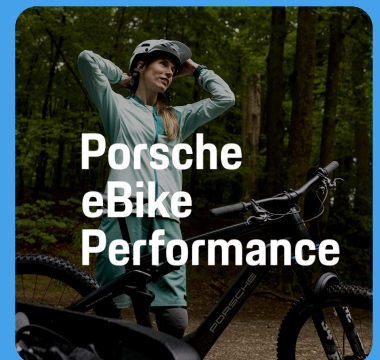
KPIs and performance metrics

IT leaders and decision-makers can define the right key performance indicators (KPIs) and metrics. While some qualitative advancements cannot be measured, quantitative benchmarks can be tracked.

- **Ticket deflection rate:** Organizations using generative AI-powered self-service (AI Agent) to mitigate commonly recurring issues and empower agents to focus on critical business tasks witness ticket **deflection rates as high as 53%.**
  Source: Freshservice IT Service Management Benchmark Report 2024

- **Incident response and resolution times:** With generative-AI-powered assistance, agents experience a **26.55% improvement in response** time and achieve **34.58% faster ticket resolutions.**
  Source: Freshservice IT Service Management Benchmark Report 2024

- **Employee productivity:** Freshworks used Freshservice to transform employee service management. By using **Freddy AI**, Freshworks saved 68,042 hours in 2023, **saving $605,906 in costs.**
  Source: Freshworks on Freshservice Whitepaper

Meet Freddy AI: Your trusted enterprise assistant

Freshworks offers people-first AI to deliver exceptional customer and employee experiences. Freddy AI, its ready-to-use, secure, enterprise-grade AI, supports all Freshworks products, including its ITSM solution, Freshservice. Freshservice uses Freddy AI to provide employees with autonomous AI-powered personalized support, empower agent productivity, and deliver insights with three key capabilities:
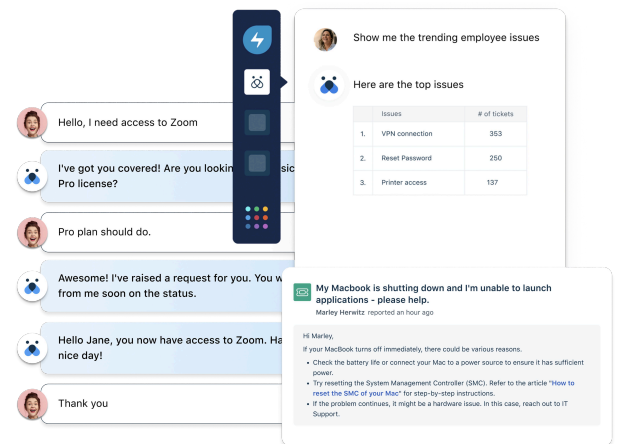

Figure 1: Freddy AI transforming employee experiences

Freddy AI Agent: Empower conversational support

Freddy AI Agent enables always-on, trustworthy and conversational assistance on flow-of-work tools (Slack and Microsoft Teams). AI helps resolve service issues quickly and efficiently without any human intervention through natural, hyper-personalized service experiences.

Freddy AI Copilot: Enhance service delivery

When agents use Freddy AI Copilot, they benefit from rich contextual assistance that helps them deliver delightful experiences to employees. Freddy AI provides canned responses that agents can read, revise, and send to employees. Using AI to automatically associate similar incidents helps agents accelerate their response and resolution times.

Freddy AI Insights: Optimize service operations

Freddy AI Insights delivers a new level of visibility into service desk performance. AI-powered conversational inquiries and automatically-generated recommendations allow business leaders to analyze and interpret data with additional context so they can make the right decisions quickly.
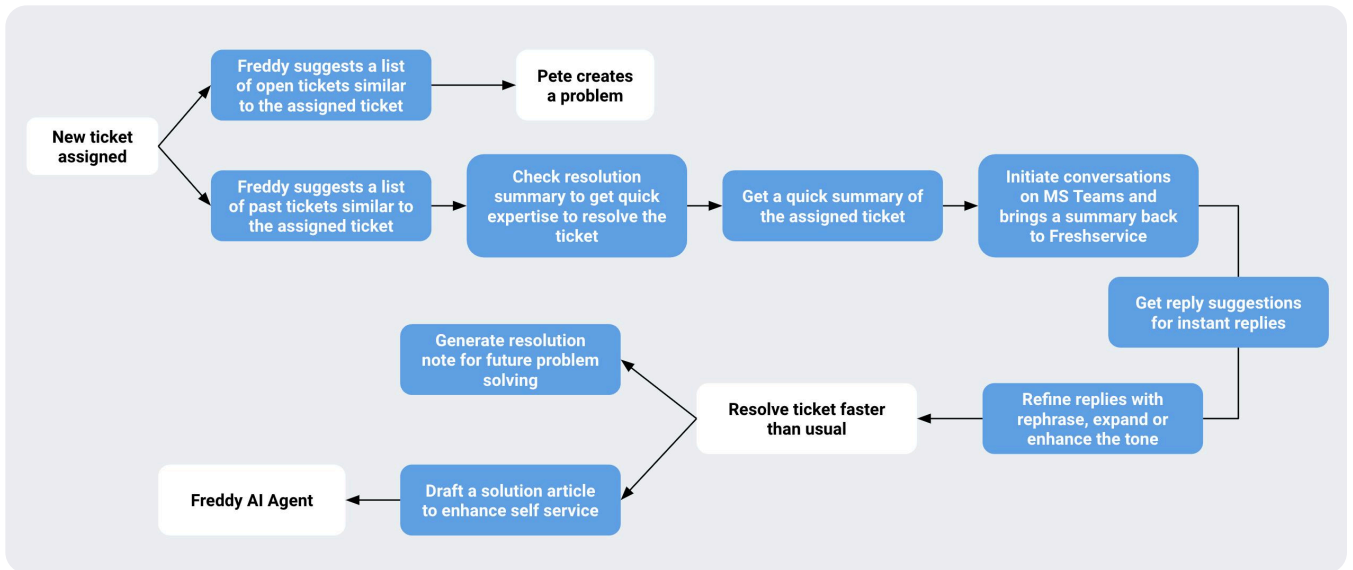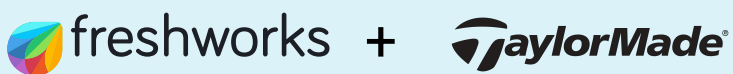
Figure 2: Freddy AI assisted agent flow

freshworks + TaylorMade®

Decreasing average resolution time by 50% with Freshservice proves to be par for the course

TaylorMade, a leading golf equipment manufacturer, faced a significant challenge as it scaled its global operations and transitioned to the cloud. The IT team was overwhelmed by a surge in service requests, struggling to manage the increasing volume with manual processes and disparate tools.

By centralizing IT operations, automating workflows, and empowering employees with self-service capabilities, TaylorMade achieved significant improvements.

They were able to achieve:

Reduced response and resolution times
Fully automated workflows and streamlined processes halved the average response and resolution time for service tickets.

Increased efficiency
The IT team effectively managed a 250% increase in ticket volume without additional headcount.

Enhanced employee satisfaction
Freddy AI Agent empowered employees to resolve issues independently, leading to higher satisfaction levels.

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With Freddy AI agent, you have a much higher chance of getting fulfillment without any human interaction at all.

Ali Chitsaz
Senior Manager, Global Digital Workplace

Reimagining the ITSM future with AI

As gen AI advances, IT leaders can use the opportunity to reimagine their approach to service delivery. This guide has explored a comprehensive set of strategies for organizations to implement gen AI in ITSM and improve key performance indicators such as incident resolution accuracy, user satisfaction, and process automation.

This technology promises not only operational efficiency but also cost savings and enhanced security. Embracing gen AI in ITSM is not merely a choice but a strategic imperative for staying ahead in the digital era.

Freshservice offers a comprehensive set of AI-powered features that cater to the needs of large businesses, including asset management, incident management, problem management, and change management. Its automation capabilities enable organizations to streamline their IT processes, saving time and reducing the risk of errors. Its intuitive interface, customizable workflows, and user-friendly self-service portal improve employee and IT teams' overall experience. Additionally, Freshservice's scalability and flexibility allow it to grow with the organization and adapt to changing business requirements. With its robust functionality, ease of use, and excellent customer support, Freshservice is a reliable choice for IT solutions.

About Freshworks

Freshworks Inc. (NASDAQ: FRSH) provides people-first AI service software that organizations use to deliver exceptional customer and employee experiences. More than 68,000 companies, including American Express, Bridgestone, Databricks, Fila, Nucor, and Sony choose Freshworks' uncomplicated solutions to increase efficiency and loyalty. For the latest company news and customer stories, visit www.freshworks.com and follow us on Facebook, LinkedIn, and X.

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