



HfS Blueprint Report

ServiceNow Services 2018

Excerpt for KPMG

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Executive Summary



Introduction to the HfS Blueprint Report: ServiceNow Services

- The 2018 HfS ServiceNow Services Blueprint continues our theme of looking at the services ecosystems of leading Software-as-a-Service platforms. Unlike other quadrants and matrices, the HfS Blueprint identifies relevant differentials between service providers across a number of facets under two main categories: innovation and execution.
- ServiceNow Services holds particular relevance to the HfS Digital OneOffice concept (see slide 4), specifically as robust service management processes, service orchestration, and increased intelligent automation and analytics help organizations build a strong digital foundation across intelligent digital support functions and the digital underbelly. As a result, aspects of this research focus more directly on the role of ServiceNow services in helping client organizations in reaching this model—such as by supporting organizations in service orchestration activities, central analytics capabilities, or by supporting the move to enterprise service management.
- The scope is exclusively focused on services and **not** technology, functions, and features. These services could either be around implementing and enhancing the ServiceNow platform and technologies or leveraging the platform internally with a view to standardizing delivery.

The Digital OneOffice™ Framework

The Customer-First Digital Organization



The Nervous System

The Enabling Intelligent OneOffice

Digital Underbelly

- Digitization of manual processes
- Automation and standardization of processes
- Cloudification of processes, IT and software
- Cyber-Security

Intelligent Digital Support Functions

- Support functions: IT, F&A, HR, Procurement, Supply Chain
- Design Thinking to unify outcomes
- Broadening of roles to align with outcomes
- Digital change management

Intelligent Digital Processes

- Predictive analytics
- Machine learning, Cognitive and AI
- Internet of Things
- Blockchain

The Neural Network

The Circulatory System



Source: HfS Research, 2018

Collapsing the front and back office into OneOffice

Introduction to the HfS Blueprint Report: ServiceNow Services (2)

- The first [ServiceNow Services Blueprint research](#), conducted in 2016, set the scene for this market. At that time, it was still very nascent and developing an ecosystem around the platform—with a somewhat fragmented service provider landscape. There were clear signs of a directional challenge for providers looking to expand their talent pools and service offerings and keep up with shifting client demands.
- From here we can see that the industry has continued to mature, with many of the larger providers shoring up and developing the services and solutions that their ServiceNow practices deliver. One of the greatest challenges with the first iteration of this Blueprint centered on the immaturity of the market. This, in turn, lead to difficulties in building a common reference point for the ServiceNow platform. Increased maturity has brought with it additional challenges, rather than clarification. Most significantly, as a result of each provider carving out a fresh direction with the platform, there is now a stark contrast between solutions and services.

Introduction to the HfS Blueprint Report: ServiceNow Services (3)

- Indeed, while boutiques are all focusing on particular verticals, delivery specialties, or over-arching visions for the solution, such aims, objectives and deliverables are not the only source of market differentiation. Even the largest of providers are carving out different directions from the former safe harbor of ServiceNow as an IT Services Management (ITSM) and service management platform.
- For some of the larger providers, this differentiation and innovative drive comes from the acquisition of boutiques and the injection of their entrepreneurial DNA into practices. This flurry of acquisition activity has altered not only the participant list of this Blueprint, compared to one conducted a year ago, but also the broader make up of the ServiceNow services market.
- The fast-changing landscape of the ServiceNow services ecosystem is a testament to the increased focus that client organizations are placing on maturing their service management capabilities and stretching the value that the platform can have across the business, often moving out of the back-office entirely. This focus has placed a premium on ServiceNow developer talent—compounding the already acute skills shortage. The war for talent is very much on.

HfS Definition of ServiceNow Services

ServiceNow Services Value Chain

Plan	Implement	Manage	Operate	Optimize
<ul style="list-style-type: none">• Business case development for SaaS deployment• Compliance and risk assessment• Security implications• HR and talent management strategy• IT service management roadmap• Enterprise service management advisory• Platform functional and strategy audit• Governance policy• Rollout strategy• Usability and accessibility• Information architecture.	<ul style="list-style-type: none">• Project management• Data migration• Setting up the ServiceNow platform suite (ITSM, ESM, ITOM, ITBM)• Service catalogue management• Process automation and customization• Solution and technical design• Enterprise systems integration• Custom application development.	<ul style="list-style-type: none">• Governance management• Upgrade support• ServiceNow help desk• Ongoing integration• Support and maintenance• Service level management• Administration outsourcing• Testing and QA• Light development and enhancements• New release and upgrade coordination• ServiceNow admin training• ServiceNow scripting training.	<ul style="list-style-type: none">• Helpdesk management• Service desk management• MSI/SIAM• IT service continuity management• Availability management• Capacity management• Financial management• Identify any required changes in ServiceNow or process to account for changing business requirements, e.g., M&A, divestment, new investments in IT• Mandatory regulatory adjustment ramification management and resolution.	<ul style="list-style-type: none">• New ServiceNow feature module value identification and benefit analysis• Ongoing ServiceNow module adds and upgrades, migrations, and consolidation• Best practice understanding, documentation and end-user adoption, and content creation and curation• User community participation• Integration of supporting software based on client needs (asset management and discovery, infrastructure monitoring, etc).

ServiceNow Ecosystem Trends

- The ServiceNow ecosystem is driven by the positive and negative trends shaping the market. Many of these will be covered in more detail in this report, however some top-level trends that are considerable driving forces in the industry as it currently stands are:
 - **High-demand for services and solutions:** The ServiceNow platform continues to be in high demand—many of the vendors we have spoken to as part of this Blueprint have candidly described their practice as sold-out or over-subscribed and are working to build partnerships or grow their practice to accommodate more engagements.
 - **Industry-wide talent shortage:** The knock-on effect of this high demand is the impact it's placing on an already drained talent pool. Both the buy-side and sell-side have advised that this issue is significantly impacting the way they approach ServiceNow services. The talent shortage is an area we will explore in greater detail throughout this research.
 - **Redefining partnerships:** There are signals that ServiceNow is making considerable changes to the way it works with partners and develops its ecosystem. At the highest level, vendors have advised they've noticed a shift in the way ServiceNow is rating partners—away from a sales arm focus and toward a focus on quality of work. This could disrupt the ecosystem status quo considerably.
 - **Shifting value propositions:** Client businesses want more from service management—something which supported the swift adoption of Enterprise Service Management (ESM)—the process of extending tools, technology, processes, and talent across business services. This drive is continuing and pushing both more ESM growth and a focus on verticalisation, integration, and broader orchestration.

ServiceNow Ecosystem Trends: Zooming in on Buy-Side

- **Access to talent:** The reference clients for providers we spoke to advised that the talent crunch appears to be more acute on the buy-side, spurring many to broker broader engagements with their providers, to ensure they have the access to the skills and resources needed to meet their business goals. The challenge for some is that without any internal talent to draw upon, they have almost entirely outsourced their development roadmap to their providers. While this is a desirable outcome for some, others are a little more reluctant. As an ongoing challenge, this places more emphasis on providers to bring in top-level consulting talent to support roadmap development alongside those broader design and development skill sets.
- **More pressure on business services, particularly IT:** Based on client feedback, an almost uniform challenge is the increased pressure on business services, particularly in the back-office, as enterprises look to streamline processes, reduce cost, and get the most business value out of assets. Clients we spoke to advised that strengthening service management in the back-office was a vital building block on this path, while others viewed the service orchestration capabilities of the platform as a good route in to streamlining disparate business areas to realise efficiencies.
- **Service management as a digital foundation:** An extension of this trend is the drive to build a ServiceNow solution that helps organisations to establish a strong digital foundation, to serve them for the future, as new technologies, processes, and business models are implemented. Clients are looking for robust out-of-the-box and bespoke solutions that make sense to their operations—and providers are starting to respond to this with high-value, end-to-end solutions, many of which are highly verticalised with strong use-cases, in areas from retail to higher education.

ServiceNow Ecosystem Trends: Sell-Side

- **Innovation and experimentation:** As the demand for innovative and highly verticalised solutions increases, providers need to keep pushing the innovation envelope and finding partners to test the viability of solutions. Some vendors, notably the large service-desk outsourcers, such as Unisys and HCL, are able to test using internal services and gauge the value proposition of the solution, before going to market. Other providers, most notably Infosys (which was rated highly by clients for its willingness to drive gain and share initiatives), are working with clients to build out solutions before industrialising. Providers will need to keep pushing down this avenue, as both innovation credentials and proof-of-delivery show no sign of disappearing from the mind-sets of enterprises.
- **Shifting vocabulary and approach for ESM:** We're seeing major changes in the go-to-market approach of many of the leading service providers in the ecosystem, which are shifting the way they engage with non-ITSM business areas—right down to the vocabulary they use—to help drive the relevance and value of the ServiceNow platform in non-ITSM areas, more naturally. The large consultancies (for example, KPMG and EY) are leveraging their consulting experience in other business areas and cross-pollinating it with their ServiceNow practice to achieve this. Others are bringing in broader consulting talent to support their practice, through acquisitions (such as Trianz' acquisition of CBIG Consulting).

Executive Summary: Providers Carving Their Own Paths

- A key theme that emerged from this research is the increasing pressure that client organisations are placing on service management. From building a platform that drives service orchestration to boosting traditional ITSM maturity, the goals of organisations differ, but the call to drive more value from service management is uniform. This demand for improved service management solutions has led to providers in the ecosystem to develop their own narratives and build compelling visions around the ServiceNow platform.
- For example, the providers with a strong legacy of operating in the service desk outsourcing space, such as HCL and Unisys, are fuelling solutions with this unique perspective and knowledge and placing automation, process efficiency, and best practice at the centre of what they do. The big consultancies, including KPMG and EY, offer a differentiated value proposition, as far as their clients are concerned, which is the access to the brains and brawn of consulting talent to help contextualise service management challenges across the rest of the business.
- Other firms, such as Atos and DXC, are building out their enterprise service management capabilities through vision and acquisition. This is an approach that will undoubtedly see them in high-demand, as appetite for extending ITSM platforms into parallel business service areas increases. At opposite ends of the scale, there are giants like Accenture and Cognizant, and the boutiques and independent firms, like Acorio and Linium, which are driving the broader transformation narrative, with service management as an integral building block.

Demand for ServiceNow Services Continues to Grow

- At the root of the changes and increased maturity in the industry is the growing enterprise appetite for the ServiceNow platform. The client references we conducted for this research paint a picture of a business environment trying to make sense of the back office as more pressure is placed on business technology assets.
- While the driving forces behind a client's decision to secure ServiceNow services varies, we can extract common strands to help us understand the continued demand. Clients advised that foremost, the ServiceNow partner ecosystem is one of the best developed when analysing similar service management platforms, which often leads it to be on the shortlist from a logistical or accessibility point.
- Many other platforms in the space, such as BMC or HP's service management suites, have a comparatively weaker partner network which, in the eyes of clients, limits their suitability as the access to key services is not as readily available. Clients also advise the development roadmap of the ServiceNow platform, accompanied by the extensive development and design work carried out by partners, supports many of their own innovation and development roadmaps, a key source of growing demand for the platform. A final common theme cited by clients, which is undoubtedly contributing to the continued demand of the platform and is part of the cycle of success for the ServiceNow ecosystem, is that as more clients and providers innovate and experiment, use cases and proof of concepts are growing exponentially. This growth is helping to fuel an appetite for innovation among client groups looking to drive the most value from their business services.

The Technology Is Being Pushed from Centre Stage

- **Innovation moves beyond technology:** It's often the case that as an ecosystem develops around a technology or platform, the focus shifts away from the technology and toward service delivery and the clever and innovative tailoring of the technology to suit particular business challenges. This is precisely the case with the ServiceNow Services ecosystem, as its maturity increases. Broadly speaking, the services innovation is concentrated in the following key categories:
 - **Innovation beyond ITSM:** While not major news, it's important to note (as highlighted in the previous iteration of this report) that the focus for innovation has continued to stretch outside of ITSM, with an increased demand placed on providers delivering innovative solutions powered by the platform, for other business service areas.
 - **Verticalisation of solutions:** Value streams have also moved beyond the confines of the back-office. Perhaps one of the biggest changes to hit the industry is the increased pressure not only to build out solutions beyond ITSM, but also to tailor them to the specific needs and demands of industry verticals. We are already seeing compelling out-of-the-box solutions and examples of extensive tailoring being employed to tackle challenges in higher education, retail, hospitality, and many more verticals.
 - **Accelerators and apps to boost value:** Finally, innovation is continuing to sit in valuable IP, through the creation of accelerators and applications that help clients to reduce mean time-to-value and extend return on investments. In some instances, these solutions are making headway in the ServiceNow app store environment, in which clients can access plug-and-play solutions as their business needs change.

Size Counts for Some Engagements

- **Scale and reach continue to play an important role in delivery:** Some things don't change; one of them is the demand for scale and reach, particularly for large or multi-national engagements. Client references have advised that a significant selection criterion is simply to access the brains and brawn they need to reach their business goals. Moreover, the importance of this appears to be growing, compounded by the ongoing ServiceNow talent shortage, which is pushing enterprises to approach service providers to access the necessary skills and talent.
- **For many others, global delivery is essential:** While offshore delivery centres provide some of the scale they need, onshore resources are also a vital consideration. This is particularly the case for large global businesses and enterprises looking to find a partner to do the heavy lifting. For several reference clients, the route to an engagement that allowed them to leverage the considerable resources they needed was through broader IT or infrastructure engagements. This has often been with a more focused ServiceNow engagement, helping to orchestrate the broader activity or to set the service management foundation necessary to support business users through change.

ServiceNow Continues to Drive Innovation from Within

- **ServiceNow continues to push the innovation envelope:** For many years, ServiceNow has held considerable mindshare in the service management space. It was one of the first ITSM-focused platforms to push the benefits of the solution to other business service areas through the enterprise service management (ESM) trend. While other ITSM tool vendors are following a similar path or are developing other value propositions—such as the viability of a codeless platform to manage workflows across the business, or pushing a strong collaboration narrative in the era of DevOps and cloudification—ServiceNow has continued to push a coherent strategy to ensure it remains one of the biggest contenders in the space.

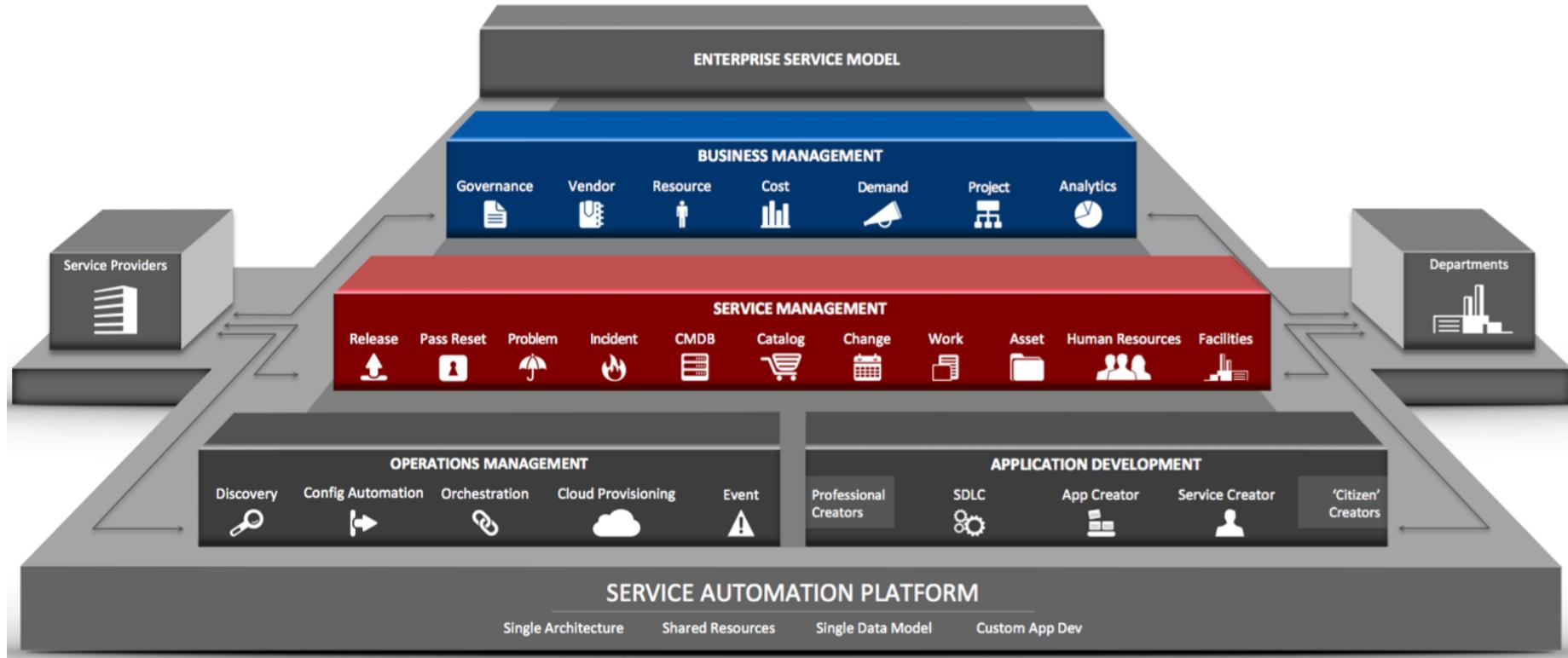
Take, for example, the big push into the automation space, supported by the announcement of a partnership with IBM; it shows encroachment from ServiceNow on the intelligent automation continuum. Crucially, this partnership and vision open up new opportunities for the ServiceNow platform. Consequently, this also presents providers in the services space with opportunities. As the platform increases in power and becomes a more viable solution for other business challenges, the relevance of a provider with a strong and innovative ServiceNow practice increases. Also, current and future clients are likely to need support from service providers to make the most of the increasingly potent platform.

- **Partnerships may lead to hesitation:** The Caveat for some providers, however, is that their own investments in ServiceNow offerings may be at risk. As ServiceNow continues to invest in the platform, innovations from the ecosystem will need to keep pace if they are to retain their value. For many, keeping pace will not be an issue, but for some it will be the start of an internal conversation over whether they should branch out to other platforms, or invest in developing their own outright.

ServiceNow Continues to Drive Innovation from Within

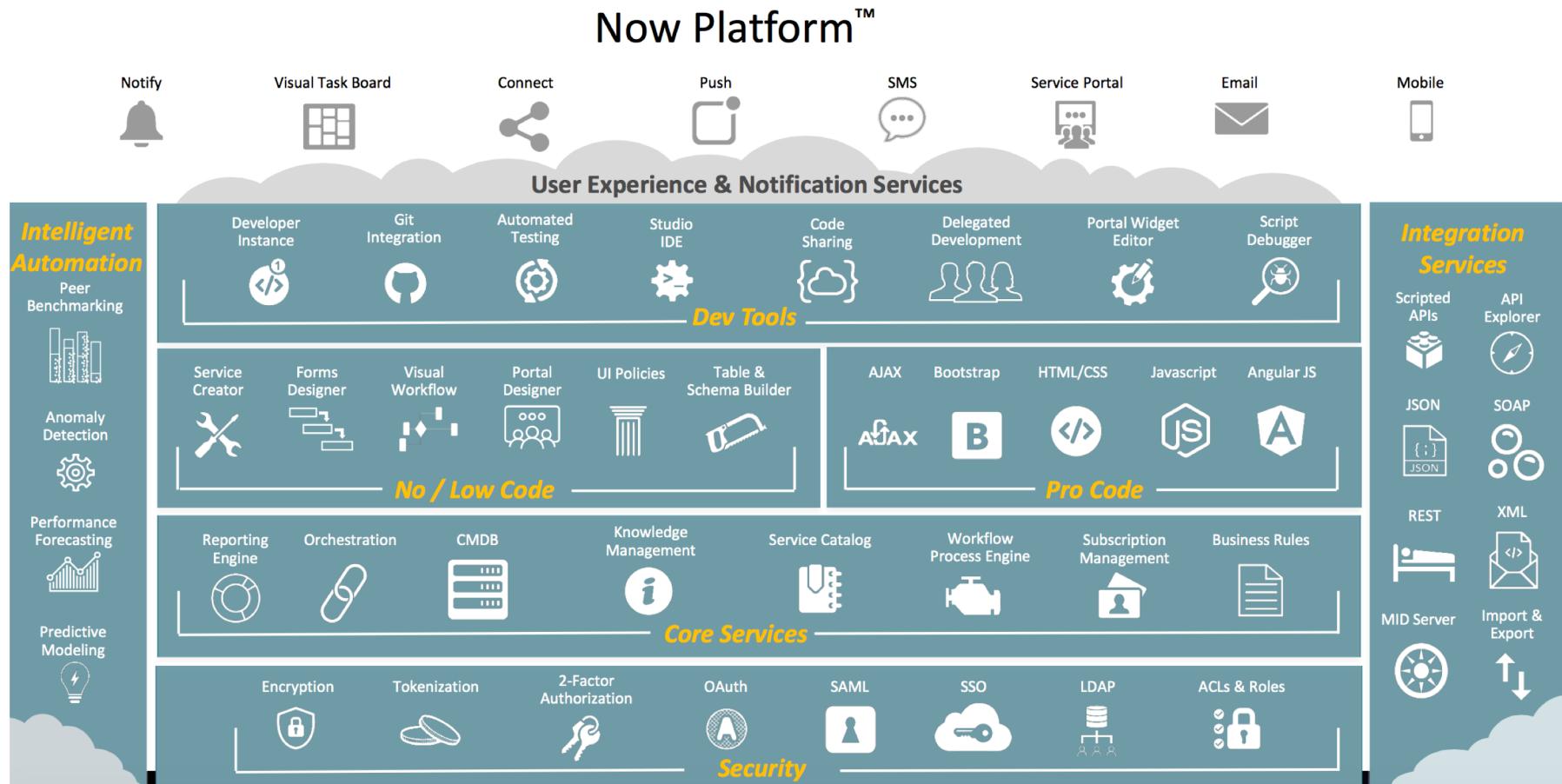
- **The ServiceNow value proposition and roadmap pushes ahead:** On the next two slides, we can see the core value proposition of the ServiceNow platform (as reported in the 2016 report), followed by how the ServiceNow platform value proposition has extended. While the staple areas detailed in the Core Value Proposition on the next slide reveal the extent to which core ITSM areas still play an important role, it also asserts the broader push from ServiceNow into parallel value areas across service management, and beyond into business management and service orchestration.
- **Service Coverage Expands:** Extending beyond this, ServiceNow has pushed the broader remit and value proposition of the ServiceNow Platform, which includes innovations that drive automation and integration across service areas. ServiceNow core services—which include vital service management areas such as reporting, knowledge management, workflow process design, and service catalogue—are well defined but, crucially, not focused on a specific area of the enterprise service management (most often ITSM). Instead, they are detailed as broader sets of focused services that can be applied to multiple areas of the modern business environments—an approach championed by providers in the broader ecosystem and which have detailed examples of applying the value of the platform to areas well beyond the back-office.
- **Development boosts selection preference:** Reference clients of service providers advised that it's the development of roadmaps like this, and the continuing investment of ServiceNow and its partners in extending the value proposition of the platform, that are helping them to leverage the most value from current and future investments in ServiceNow services. On slide 19, we can see the ServiceNow System of Action, which continues to drive the narrative away from ITSM, even pushing beyond the focus on service management as a core—refocusing aspects of their approach on areas such as scalable and secure cloud hosting, vital aspects of the proposition for providers in the ecosystem who shy away from management and support offerings.

The Core Value Proposition of ServiceNow



Source: ServiceNow

Developments Across the Now Platform



Source: ServiceNow

ServiceNow's System of Action

Cloud Services

Now Platform™

Nonstop Cloud



Source: ServiceNow

Market Overview



Acquisition Activity Changes the Landscape

- **The participant list has changed noticeably:** Just looking at the participants for this report and the one conducted a year ago provides a glimpse of the swiftly changing ecosystem and landscape around the ServiceNow platform. For example, the creation of the leviathan service provider DXC not only shifted the proposition from one of its constituent parts CSC, but also hoovered up several ServiceNow boutiques including Fruition Partners and Logicalis SMC. Indeed, as predicted in the 2016 report, many of the boutiques that were beginning to carve their own share of the nascent market have since been acquired by the larger providers seeking inorganic growth in an area of increasing demand, including the acquisition of Engage ESM by Atos, and Cloud Sherpas by Accenture.
- **Finding talent is a common struggle:** Undoubtedly a core motivation behind the activity is the challenge to bring in the talent to satisfy demand. Perhaps one of the biggest trends impacting the industry is the struggle providers and enterprises alike are having locating and recruiting high-quality ServiceNow design, development, and implementation talent. This is compounded further by the plethora of skills needed to develop solutions and tackle challenges in both internal business services through the drive for enterprise service management, and the increasing demand to tailor the platform to drive new levels of value in industry verticals.
- **The key drivers behind acquisitions vary considerably:** For example, some of the historic acquisitions of ServiceNow boutiques have not been due to the desire to access and expand on the value of the practice—but instead to provide the skills, talent, and resources needed to retrospectively implement a single platform with current managed service desk and infrastructure clients. In other cases, the core motivation is to secure access to a practice to provide clients with new services and solutions, often with the acquired practice operating with a degree of independence. In the case of the latter, this tends to be more common as the value and ubiquity of ServiceNow has increased in recent years.
- **Regardless of motive, growing demand is clear:** The demand for the ServiceNow platform shows no sign of abating, and with this, the demand for talent and high-quality practices continues to grow. The fevered acquisition activity we have seen over the past two years looks set to continue into the future.

The Talent War Heats Up

- **Talent has always been a battleground for ServiceNow practices:** Design and developer skills-gaps plague the industry. The first iteration of this report highlighted the acute impact the talent war was having on both clients and providers alike. If anything, this talent war is heating up even further, as client organisations push providers to deliver more value from existing implementations, and as the platform is adopted more widely across the market, generally and outside of IT.
- **For clients, the impact is palpable:** Many of the clients we spoke to stated simply that once they found a provider with the talent to get them where they needed to be, it was highly unlikely they would change providers, as the same talent may not be readily available via other organisations. Conversely, this 'hero mentality' is an example of the compounding issues of the talent war, as clients advise that when their 'hero' disappeared (via acquisition, or attrition), then they no longer recognised the same levels of value they had previously.
- **For service providers, the impact is equally as acute:** In many cases, the fevered acquisition activity over the past two years is a direct result of the acute need to bring in rare and valuable talent into unsustainably growing practices in the major providers. Some of the innovations being applied to tackling the manpower challenges involve the effective cross-skilling of other practices—such as bringing in broader consultancy talent or professionals from parallel SaaS solutions—which not only brings in valuable perspective but also softens the resourcing challenges.
- **For the smaller boutiques, the fight for talent is just as competitive:** While many are dedicated to ServiceNow, limiting the extent to which they can cross-skill from other business units, each has identified an innovative approach to encourage the attraction and retention of talent—from isolating untapped talent pools, to working with education establishments to have first-pick of outbound professionals.

The Talent War Heats Up (2)

- **Crucially, each provider has developed its own approach to attracting and retaining talent:** Acquisitions have already been discussed, but there are still many routes to building out practices through organic growth.
 - For the large consultancies including **KPMG** and **EY**, the approach is to leverage broader consulting capabilities to support services alongside broader recruitment programs that approach bringing in high-quality talent. For some of these organisations, particularly those that focus on high-level and independent advisory services that focus only on engagements with discernible strategic value, the talent crunch is compounded by additional demands for more consultancy-oriented talent, which limits the validity of broader talent pools. However, client references talk highly of this approach as it enables them to access broad consulting talent alongside resources in ServiceNow practices.
 - On the other side of the coin are the large service integrators and outsourcers (such as **Unisys**, **Wipro**, **Atos**, **Accenture**, **Cognizant**, and **HCL**), which have set up internal channels to route the necessary talent toward their service desk practice. Most often these are from managed service areas that have experience working alongside the platform, either from a service delivery perspective, or from internal development and services. Many of these organisations have set up internal universities or training initiatives to develop individuals and help bring talent into their ServiceNow practices. Client references are generally positive about this approach, as they are able to access a front-bench of talent, and scale into the second-bench, if necessary.
 - Finally, an important aspect of how providers are facing up to the talent crunch is by developing accelerators and pre-built solutions to boost the productivity of their practices. From the large providers to the boutiques, providers are working to build out their offerings—an additional benefit of which is the increased mean time-to-value that these solutions offer clients.

ServiceNow Shifts Its Approach to the Partner Ecosystem

Another trend worth paying attention to is the swift and sweeping changes we can see in ServiceNow's approach to partnering with providers—a trend that can have, and is having, dramatic effects on the ecosystem. For the most part, the change in approach can be broken down into three key areas; we have gathered these insights from direct interviews with service providers.

- **ServiceNow becomes more discerning over who can be a partner:** Several providers highlighted a shifting focus from ServiceNow of building more meaningful relationships with a selection of partners, and in the process noted how the ecosystem was shrinking to some extent. This process appears to be decided; as smaller consultancies and practices disappear through acquisition or otherwise, they are not replaced by other smaller boutiques. While this appears to be a more indirect trend currently, there are signs of C-Level decisions driving fewer but more-focused partnerships—something that has been noted by many of the participants in this research.
- **Sales channel to partner eco-system:** To varying extents, partners of ServiceNow and other service management platforms have long described their relationships as merely an extension of the sales engine. While the providers develop practices that develop and implement the platform in different ways, the relationship with the software house rarely moves beyond a transactional focus. However, in line with the growing trend of more focused partnerships, many providers are highlighting the development of deeper conversations and more refined feedback loops in which they work mutually with ServiceNow to develop a roadmap that makes sense to all stakeholders.
- **Influence is shared more evenly:** A final shift is the increased influence of providers that several years ago would have struggled to influence ServiceNow's vision and approach. However, there are signs of significant changes in this respect with a more even spread of providers advising that they are now invited to actively work with ServiceNow decision makers to shape the roadmap.

The Factors Incentivising or Inhibiting ESM (1)

- **Enterprise service management is still a major table stake for clients and providers alike:** ServiceNow has pushed a very successful marketing and thought leadership effort out to market, driving the value of enterprise service management into client mindshare, supported by the development of bespoke modules in the platform for parallel business service areas such as HR and Customer Services. This shift has continued to resonate well with clients, particularly as the provider ecosystem drives the relevance of this approach closer to client businesses. Many of the clients interviewed in this research advised that pushing the value of ServiceNow outside of their current scope was a future ambition, if not the centrepiece of their current engagement. To quote a specific client reference 'we're no longer interested in ITSM, the scope of the project has extended way beyond ITIL-focused service management and our current engagement has been designed in this way, to help us extend this across our business services. We need a partner that can engage and understand our business, and help drive best practice across the back office.'
- **Multiple dynamics shape ESM trends:** However, this approach is by no means universal. While this trend is still very much in play, there are several dynamics that have impacted the market, in some instances incentivising greater innovation and adoption of ESM practices but in others significantly inhibiting these practices. Broadly speaking, these factors can be categorised into three main areas:
 - **Organisation and project size:** Dependent on organisation and project size, the drive toward ESM varies. For large enterprises, the heavy lifting required to move from legacy systems to ServiceNow in ITSM alone is a considerable effort that inhibits efforts to extend the value of the platform to other areas in the short term. As one client put it, 'given our size and history, just boosting the maturity of our current approach to IT service management is enough to keep us busy'. However, for mid-market organisations the incentive is instead to maximise ROI and mean time to value—in these organisations a roadmap that includes non-ITSM business services is far more likely. For the provider ecosystem, this has necessitated a focused drive on diversifying the experience of their professional services teams to boost the relevance of solutions across business operations.

The Factors Incentivising or Inhibiting ESM (2)

- **Changes in pipeline:** Another factor impacting this trend, at least as far as it is traditionally perceived, is a shift in pipelines. Traditionally, the platform would be implemented in ITSM and then move out from this nucleus. However, market trends are transforming the landscape entirely and clients have identified other areas of the business at the first point of implementation, most likely in HR, facilities, or customer services. In many cases, ITSM isn't in the roadmap at all, as the maturity of tooling in that space and the relative immaturity in other business services pushes ITSM to the fringes of organisations' roadmaps, which are looking for lower hanging fruit for quicker and easier gains. This shift has a potentially transformative impact on the way providers engage with clients—an entirely different vocabulary and approach are necessary to help build the relevance of offerings and solutions to these clients. Many of the providers covered in this piece are building partnerships with firms such as Workday and SuccessFactors to boost relevance and coverage in areas such as HR, or are hiring subject matter experts in other service management areas, while the large consultancies bring in the critical understanding from elsewhere in the business.
- **Easier integration:** Paradoxically, the increased ease and openness of the platform from APIs, and the growing talent pool surrounding the ServiceNow services ecosystem has enabled other platforms with traditionally strong footholds in business services like HR and facilities to hold onto their value as they can be more readily tied into the platform. To an extent, this is incentivising larger business-wide transformation projects with ServiceNow as the engine, instead pushing for the implementation of the tool in large business service gaps and then shifting the focus on prolonging the value of other platforms through integration and automation. Multiple clients cited the partnerships their provider has and the expertise in integration as a vital selection criteria to ensure their current assets are supported and the engagement drives the most value. Placing more emphasis on providers to develop their talent, cross-pollinate skills and knowledge and expand offerings beyond standard ServiceNow implementations.

The Factors Incentivising or Inhibiting ESM (3)

Ultimately, the ServiceNow services market is maturing and with it the concept of enterprise service management is being pushed further and contextualised more closely to the particular needs of the business. These dynamics are pushing the service provider community to work harder to push a compelling vision and value proposition to how their specific capabilities can help enterprises follow the path that makes the most sense to them.

The three factors highlighted here are the largest and most impactful in a sea of other factors shifting the way businesses are adopting and implementing the platform and the transformation providers will need to undertake to build out their talent and offerings to make sense in the changing market.

In many ways, this is the cause of the considerable shifts we're seeing in the way vendors are adapting their go-to-market, vision, and delivery approach to help differentiate themselves in a competitive industry.

Dynamic Demand Pushes Providers to Differentiate

Perhaps one of the most compelling findings in this research is the wealth of diversity in the approaches and visions providers have for the ServiceNow industry. This range of different approaches, most readily seen in boutique providers but also prevalent in the largest firms, is shaping the ServiceNow services ecosystem in interesting ways, as each provider is carving out their own path and particular client niche. Broadly speaking—and many of the providers have the scale and overage to fit into several of these large groups—we can now see the following approaches to the ecosystem developing:

- **Transformation engine:** A group of providers—particularly Linium, Infosys, Accenture, EY, KPMG, and some of the larger providers—is pushing a compelling narrative of the capacity of the ServiceNow platform to drive transformation across business services and unite the back, middle, and front offices through innovative approaches to service orchestration. Many of these firms have compelling client stories on board that bestow the benefits that this approach can take. Those that are particularly strong in this area tend to be more focused on consumer and employee experiences—emulating consumer-world experience and best practice to develop offerings.
- **ITSM and service desk experts:** There is a strong backbone of service providers leveraging deep expertise in the ITSM and service desk space as both providers of ServiceNow services and managed service desk services. At the core of this group are Unisys, HCL, and Wipro. Often these providers have formed a spear point of thought leadership, innovation, and execution by pushing the envelope in their own managed service desk units and those of their clients. Many in this category have been operating in the space for many years and in the process have developed strengths in domain expertise, ITSM methodologies, and best practice. Many of these firms' initiated engagements with ServiceNow began from a nucleus of managed service-desk engagements, which led to the implementation of the platform.

Dynamic Demand Pushes Providers to Differentiate

- **ESM drivers:** A separate section of the industry is now forming around the application of ServiceNow to non-ITSM business areas; leading the charge are Atos and Acorio. These firms have developed their talent and go-to-market to focus on the validity of the platform in areas like HR, facilities, finance, and a raft of other business service units. These firms have developed modules and capabilities in the platform that specifically target the challenges of these business services and have the capability to translate traditional ITSM vocabulary and approaches to make sense for other business service units. For many operating in this space, pipelines have changed enormously, and for some providers almost all upcoming engagements are non-ITSM.
- **Accelerators and capabilities:** For the vast majority of vendors—notably Infosys, Cognizant, DXC, and Accenture—there is a strategic commitment to build out accelerators and capabilities that can be used by enterprises to reduce implementation and development times or to build out a roadmap of plug-and-play capabilities. This approach is being facilitated further by a broader push by ServiceNow to push an app-store style function in which clients can select modules, capabilities, and processes that work for them. This shift has galvanised many in the service provider ecosystem to develop industrialised and repeatable offerings and develop app-store functions of their own such as the Infosys ESM Café.

Research Methodology



Research Methodology

Data Summary

- Research conducted in Q3 and Q4 2017 covered services buyers, service providers, and advisors and influencers of ServiceNow Services to help build a comprehensive view of the ServiceNow market and ecosystem.

These HfS Blueprints are based on:

- **Tales from the Trenches:** Interviews are being conducted with buyers who have evaluated service providers and experienced their services.
- **Sell-Side Executive Briefings:** Structured discussions with service providers are intended to collect data necessary to evaluate their innovation, execution, market share, and deal counts.
- **Publicly Available Information:** Financial data, website information, presentations given by senior executives, and other marketing collateral were evaluated.

Service providers included:



Key Factors Driving the HfS Blueprint

Evaluation Criteria	Criteria Weighting
<p>Two major factors:</p> <ul style="list-style-type: none">• Execution represents service providers' ability to deliver services. It includes:<ul style="list-style-type: none">– Solutions in the real world– Quality of customer relationships– Market share• Innovation represents service providers' ability to improve services. It includes:<ul style="list-style-type: none">– Concrete plans to deliver value beyond cost– Experience delivering industry-specific solutions– Partnership strategy– Investment in proprietary technologies	<p>Criteria are weighed by crowdsourcing weightings from the five groups that matter most:</p> <ul style="list-style-type: none">• Enterprise Buyers [\$5B+] (20%)• Buyers (20%)• Service Providers (30%)• HfS Research Analysts Team (20%)• Advisors, Consultants, and Industry Stakeholders (10%) <p>Weightings were adjusted for this report based on outcome from HfS' January 2017 State of Operations Survey and our March 2017 State of IT Services Survey</p>

HfS Blueprint Model for Ranking and Scoring Service Providers: Model Weighting

Execution

Quality of service provider's account management team	15%
How the provider is supporting firms to extend the value of ServiceNow outside of ITSM	15%
Actual delivery of services	30%
Geographic footprint and scale of the service provider	10%
Resources in place to support clients across engagement lifecycle	20%
Service provider experience in delivering industry specific solutions	10%

Innovation

Vision for investments in the evolution of ServiceNow services	26%
Examples of developing and integrating capabilities and solutions into the suite	10%
Application and platform strategy for ServiceNow services delivery	15%
Solutions and accessible and actionable data in ServiceNow services	12%
Approach to the application of intelligent automation in ServiceNow services	12%
Availability of enterprise service management capabilities	15%
Integration of consulting and ServiceNow technology capabilities	10%

Execution Definitions

Execution	How well does the service provider execute on its contractual agreement? How well does the provider manage the client/provider relationship?
<i>Quality of service provider's account management team</i>	How effective are provider account management teams in supporting client engagements, opening up channels of communication and collaboration, and managing feedback loops to ensure services meet client requirements?
<i>How the provider is supporting firms to extend the value of ServiceNow outside of ITSM</i>	How are providers developing services that support organisations in extending the value of ServiceNow across the enterprise?
<i>Actual delivery of services</i>	What are the clients' and market's overall impression of the quality of service across the value chain from this service provider? How is ServiceNow helping clients to transform processes? What is the overall impact on client processes?
<i>Geographic footprint and scale of the service provider</i>	What is the scale of a provider's ServiceNow practice How is it positioned to service clients on a global scale?
<i>Resources in place to support clients across engagement lifecycle</i>	What resources do providers have in place to support clients across the engagement lifecycle? Are there support resources in place—from help desk to consultancy—that enable clients to get the most value from the engagement? How is the provider working to empower the client business with knowledge and talent to ensure the engagement is successful?
<i>Service provider experience in delivering industry specific solutions</i>	How is the service provider able to meet the specific needs of industry verticals and the particular business environments of clients? How does the provider shape their offerings and engagement approach based on the requirements of industries?

Innovation Definitions

Innovation	How well does the service provider innovate its offering(s) in response to market demand, client requirements, and its own vision for how the AI market will evolve?
<i>Vision for investments in the evolution of ServiceNow services</i>	What is the service provider's vision for the evolution of ServiceNow? Is there a clear strategy for delivering broader capabilities As-a-Service? Are there identifiable investments in place to realize this strategy today?
<i>Examples of developing and integrating capabilities and solutions into the suite</i>	How is the service provider supplementing the ServiceNow platform by developing and integrating additional functionality?
<i>Application and platform strategy for ServiceNow services delivery</i>	What is the role of tools and platforms in the service provider's offering strategy? Are the selected platforms developed in-house, or are they provided by third parties? Is there a demonstrable intent to maintain and enhance the in-house platforms?
<i>Solutions and accessible and actionable data in ServiceNow services</i>	How does the service provider work with clients to develop a comprehensive set of data and then in turn make the analysis of that data and the development of insights possible? Is the service provider allowed by clients to act upon the developed data to improve the effectiveness of overall service delivery?
<i>Approach to the application of intelligent automation in ServiceNow services</i>	How are providers developing and integrating intelligent automation capabilities across their ServiceNow services? How are automation capabilities being deployed to support service delivery?
<i>Availability of enterprise service management capabilities</i>	How are service providers developing services that support the extension of ServiceNow across the enterprise? How is the provider innovating to extend the value of ServiceNow outside of ITSM?
<i>Integration of consulting and ServiceNow technology capabilities</i>	How is the provider integrating its broader consulting capabilities to support the application of ServiceNow services to overcome business challenges?

Service Provider Analysis



Guide to the Blueprint Grid

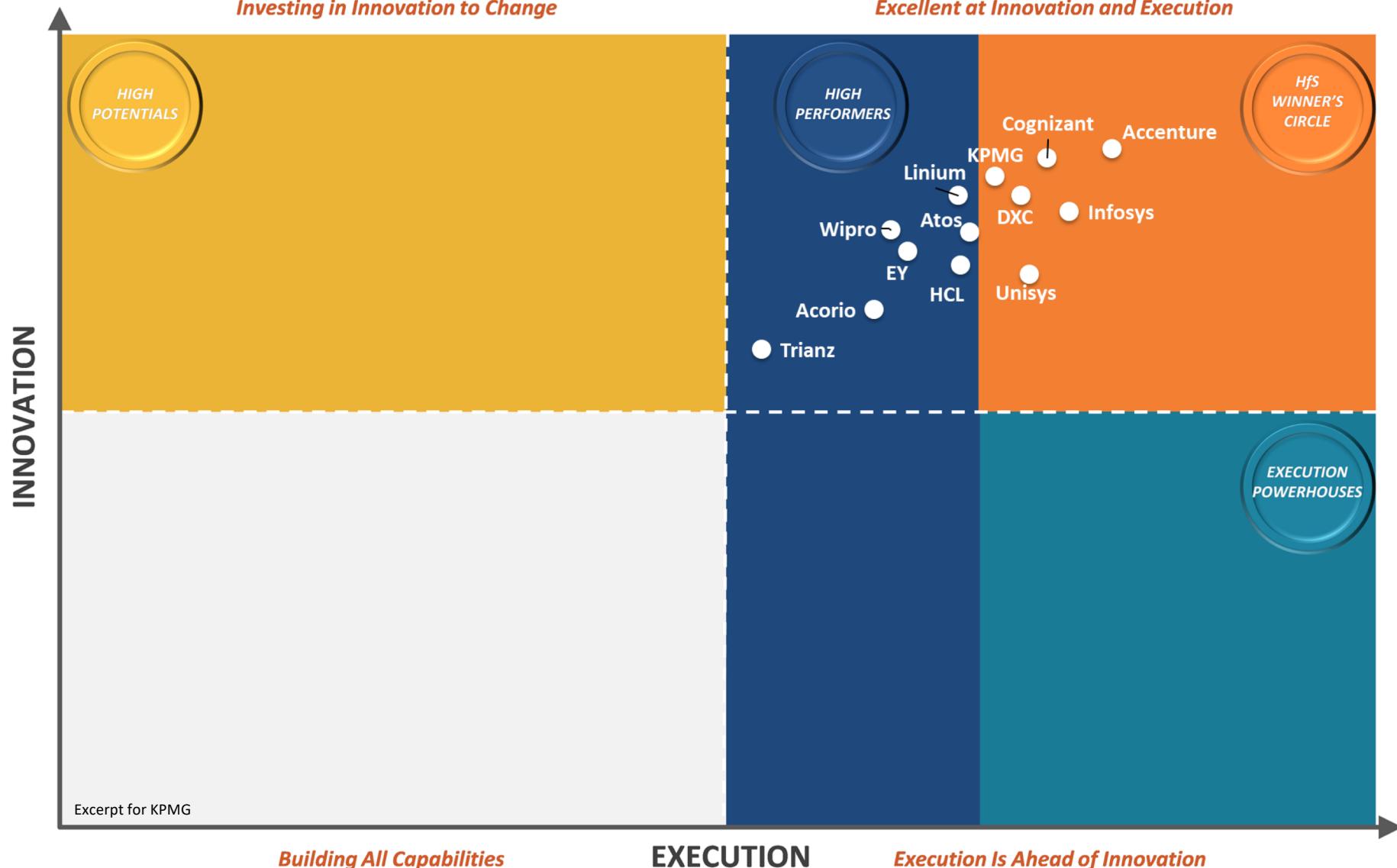
To distinguish service providers that show competitive differentiation in a particular line of delivery with progress in realizing the As-a-Service Economy of business outcome-oriented, on-demand, talent + technology services, HfS awards these providers the As-a-Service Winner's Circle designation.

	Execution	Innovation
As-a-Service Winner's Circle shows excellence recognized by clients in the Eight Ideals in both execution and innovation	Collaborative relationships with clients, services executed with a combination of talent and technology as appropriate, and flexible arrangements.	Articulates vision and a “new way of thinking,” has recognizable investments in future capabilities and strong client feedback, and is driving new insights and models.
High Performers demonstrate strong capabilities yet lack an innovative vision or momentum in execution against the vision	Execute some of the following areas with excellence: worthwhile relationships with clients, services executed with “green lights,” and flexibility when meeting clients’ needs.	Typically describe a vision and plans to invest in future capabilities and partnerships for as-a-service and illustrate an ability to leverage digital technologies or develop new insights with clients.
High Potentials demonstrate vision and strategy but have yet to gain momentum in the execution of it	Early results and proof points from examples in new service areas or innovative service models, yet lack scale, broad impact, and momentum in the capability under review.	Well-plotted strategy and thought leadership, showcased use of newer technologies or roadmap, and talent development plans.
Execution Powerhouses demonstrate solid, reliable execution, but have yet to show significant innovation or vision	Evidence of operational excellence; however, still more of a directive engagement between a service provider and its clients.	Less evident vision and investment in future-oriented capability, such as skills development, “intelligent operations,” or digital technologies.

HfS Blueprint Grid: ServiceNow Services Grid 2018

Investing in Innovation to Change

Excellent at Innovation and Execution



Major Service Provider Dynamics: Highlights

Execution

- **Account management:** Account management has a vital role to play, even more so as the evolution of ServiceNow's roadmap often leaves it with demand for continually developing roadmaps and shifting contractual engagements. Clients interviewed were particularly positive about **Accenture, Linium, Unisys, and KPMG**
- **Footprint and scale:** When interviewed, several clients were keen to find a partner with the footprint, scale, and resources they need to drive their services forward. Crucially, they needed certainty that even at scale, providers would be able to support them in achieving top-quality outcomes. In this respect clients praised **KPMG, HCL, and DXC**
- **Industry-specific solutions:** As the value proposition of the platform has extended well into ESM, the next level of value is being unlocked by service providers developing solutions that get to the core of industry specific challenges. Clients advised they were searching for a partner that truly understood their business and industry, with **Infosys, Linium, Acorio, and Unisys** receiving highly positive reviews.
- **Actual delivery of services:** Of course, the actual delivery of services and solutions—across quality, capacity, and ability to continually improve services—plays a vital role in how clients view their providers. **Accenture, KPMG, Unisys, and Linium** were all rated highly by clients for their overall delivery of services.

Innovation

- **Building out enterprise service management capabilities:** A vital temperature check of a providers innovation capabilities is to take a look at how they are extending the value of ServiceNow across enterprise service management, and this played a crucial role for many of the clients we spoke to. **Accenture, Infosys, Acorio, and KPMG** were all rated highly by clients for their work across ESM.
- **Development of capabilities:** Another vital part of assessing a provider's innovation is the amount of resources and investment are in place to unlock new capabilities to extend the value of the platform for clients. In this respect, **Linium, Infosys, and Accenture** were scored well by their clients.
- **Integrating consultancy in engagements:** Perhaps unsurprisingly, the two large consultancies in this research, **EY and KPMG**, scored highly for their ability to integrate consulting in their approach and engagements—particularly from bringing industry best practice into engagements. **Accenture and Acorio** received highly positive ratings.
- **Vision and thought leadership:** Clients value the overall vision and thought leadership of some providers who are eager to push the envelope on innovation and build new frameworks to boost the value of the ServiceNow platform, such as those building out industry leading best practice or redefining service delivery capabilities. According to clients, **KPMG and Accenture** stood out in particular.

Service Provider Profiles



Blueprint Leading Highlights	Strengths	Challenges	
<ul style="list-style-type: none"> One of the top-tier partners for ServiceNow with strong buy-in from both sides Developing narrative for ServiceNow supported by impartial focus Clients value the access to consultancy talent to support ServiceNow engagements Funds set aside for inorganic growth when the right target is identified Clients rate the firm highly for delivering business results Broad global delivery footprint 	<ul style="list-style-type: none"> Strong narrative around independence and advisory: KPMG has a strong narrative around its independence and capacity to deliver true advisory services. For many clients this impartial insight is invaluable, recognising that KPMG has no investment or incentive to run an environment but instead locate and implement the right solution for the business. Innovation pedigree driven research and consultancy expertise: KPMG has developed a valuable innovation roadmap and vision for its ServiceNow practice, leveraging its research resources and thought leadership to build an in-depth forecast of future needs for modern service management in the enterprise. Access to broad range of consultancy talent: Clients have placed a high value on the relative ease of access they have to consultancy talent, not just in ServiceNow or service management but across their business needs, for example, tapping into finance and audit expertise when rolling out the ServiceNow platform in finance. Recognition of the importance of employee experience: KPMG has developed a compelling mission to help boost an organisation's employee experience—recognising the importance of service management platforms and continued innovation and investment in driving improved productivity and experiences. 	<ul style="list-style-type: none"> Selective engagements: KPMG has advised it tends to focus on transformational engagements, focusing on leveraging its authority as an independent and trusted advisor. While KPMG does have the capability for the full spectrum of services, it is selective and will often decline opportunities that are pure package implementations or technology migrations with no strategic value. Access to talent: The entire ecosystem is grappling with ongoing talent issues. KPMG has developed its approach to combat these challenges by developing knowledge management methodologies, developing attraction and retention programmes for talent with the right blend of skills, and by pulling in advisory resources to supplement its ServiceNow practice. Push for inorganic growth: KPMG executives have advised they have the resources set aside to acquire the right firm to supplement its ServiceNow practice, however this may become more of a pressing issue as the industry matures and some of the other boutiques are acquired by competitors. 	
Strategic Positioning	Key Clients	Operations	Technology, Tools, and Platforms
ServiceNow Partnership Status: <ul style="list-style-type: none"> KPMG is a Global Systems Integrator (top tier), Gold Sales Partner (top tier), Gold Services Partner (top tier), ServiceNow Catalyst Partner Acquisitions: <ul style="list-style-type: none"> 2014: Acquired Cynergy 2015: Acquired Triad Technology Partners: <ul style="list-style-type: none"> Apptio Appian Flexera Blue Prism SailPoint CyberArc RSA Microsoft Workday Oracle 	<ul style="list-style-type: none"> AMP CDL Community Health Systems Cox Enterprises Fiserv Marriott International Nissan Motor Corporation US state government US federal government Canadian financial services firm Global media and technology firm Global pharmaceutical firm Global energy company Latin American mining company Global insurance provider 	<p>CSAT score: 9.2 (As reported by ServiceNow customers)</p> <p>Headcount: 350+ FTEs</p> <p>Locations:</p> <ul style="list-style-type: none"> North America - 54% (USA: Atlanta, Austin, Baltimore, Boston, Charlotte, Chicago, Cincinnati, Cleveland, Dallas, Detroit, Ft Lauderdale, Harrisburg, Hartford, Houston, Denver, Indianapolis, Jacksonville, Kansas City, Los Angeles, Miami, Milwaukee, Minneapolis, Nashville, New York City, Orange County, Orlando, Park Ridge, Philadelphia, Pittsburgh, Richmond, Sacramento, San Diego, San Francisco, Seattle, Short Hills, Silicon Valley, Tampa, Tysons Corner; Canada: Toronto, Montreal, Halifax, Calgary) LATAM - 4% (Mexico City, Sao Paulo, Buenos Aires, Bogotá, Lima, Panama City, Santiago) EMEA - 8% (London, Manchester, Brussels, Copenhagen, Rome, Zurich) India - 26% (Bangalore, Gurgaon) APAC - 8% (Sydney, Auckland, Tokyo, Hong Kong, Shanghai, Singapore) 	<ul style="list-style-type: none"> KPMG Powered IT: Part of the broader Powered Enterprise set of offerings, Powered IT is a solution designed to accelerate and reduce the risk of SaaS-based transformations. Powered IT brings leading practices, templates, and pre-configured ServiceNow capabilities across a number of technology business management areas. The solution is anchored by ServiceNow and includes aspects of ITSM, ITOM, ITBM, SecOps and GRC. Service Portal Starter Pack: A solution that expands the OOTB Service Portal. The Starter Pack adds significant functionality and user interface design to provide a very strong portal experience in a short configuration time. IT GRC Extensions: KPMG's Risk Management team has developed specific SN configurations and toolkits to expand the GRC workflows and controls within SN in order to directly align key controls and regulations (e.g., SOX, SOC). HR Service Management Quick Start: KPMG's HR Transformation team has built out a set of processes, design models, and configurations for the HR product suite. Contracts Performance Manager: KPMG has built an asset-based offering that helps clients track, manage, and maximize the performance of their vendors and suppliers.

Recommendations



Service Provider Selection

■ **Why this service provider?** The top reasons clients we spoke to selected their service provider were:

- **Familiarity or ongoing contract:** Multiple clients advised that they selected their provider because they had previously worked with them, were familiar with their work, or packaged the ServiceNow engagement with an ongoing infrastructure or IT services outsourcing engagement.
- **Access to talent and resources:** Many selected their provider simply to access the talent and resources they could provide, as they struggled to gather the talent required to meet business goals internally.
- **Global delivery:** For some clients it was vital that their provider had a global reach and the scale needed to help them transform their multi-national business.
- **Ability to do the heavy lifting:** Multiple clients needed a partner to help them do the heavy lifting in either boosting their service management maturity or to handle the strenuous work involved in replacing an ailing ITSM system. For these clients, a firm needed considerable scale and a track record of seeing large and lengthy engagements to completion.
- **Thought leadership:** For some, selection was based on the ability of the provider to bring a fresh perspective to challenges or to reimagine solutions.
- **Industry expertise:** Several providers were selected for their experience and solution portfolio tailored to a particular industry.
- **Credibility and track-record:** Finally, clients selected providers that they felt had the credibility, reputation, and track-record of delivering in the space to tackle their specific issues.

Service Provider Strengths

- The top strengths clients listed for their service provider included:
 - **Verticalised solutions:** Clients hold the verticalised solutions delivered from providers in high regard, emphasising the real value that accelerators, modules, and frameworks specifically geared towards their industry challenges could deliver.
 - **Access to talent and resources:** The ongoing talent war is impacting all sides of the ServiceNow services ecosystem, so clients view the ready availability of talent and resources to support engagements as a considerable strength.
 - **Credibility in the service management space:** For many clients, a core strength is credibility in the service management space. For these, working with a provider that lives and breathes services management and uses this experience to fuel solutions is vital.
 - **Willingness to be flexible:** Flexibility to flex and scale resources, or change course with little notice is a real strength highlighted by some clients. For these clients, the nature of their business, or the somewhat unknown future makes flexibility an essential characteristic for any incoming provider.
 - **Investment and experimentation:** Finally, multiple clients highlight the considerable value they place on providers being willing to invest and experiment with solutions in their business environment. For them, the value proposition is simple: they get a high-value solution and the provider gets delivery credibility and the opportunity to industrialise a solution.

Service Provider Challenges

- The top challenges clients listed for service providers included:
 - **Inconsistency across service delivery:** While for many clients the quality of the services delivered were generally high, this was not uniformly the case. Consistency of talent, solution, and services across the board was a real issue for many clients, who advised that to an extent it damaged the trust they had with the provider, and felt the need to constantly check in to make sure quality remained high.
 - **Access to talent:** In some cases it is the access to talent that is causing the most consternation for clients. For many, the reason they have outsources is because they are unable to attract design and development talent internally. When the provider they work with is also clearly having challenges bringing the right people in to deliver services, it can significantly impact their perception and ability to recognise value from the engagement.
 - **Lack of investment or proactive engagement:** For some clients, the real challenges begin when they recognise that they are an integral piece of the engagement, and without their constant micromanagement throughout little would happen. A significant number of clients advised that their providers showed little proactiveness or initiative in the engagement, and without them taking the lead the engagement would struggle to deliver the expected results.

Recommendations: Enterprise Buyers

- **Look outside of ITSM:** It almost goes without saying now, but for many enterprises, looking beyond ITSM with ServiceNow is tough to grasp. Nevertheless, there are now countless client success stories from businesses that have taken the plunge and begun pushing the platform to its limits with ESM, and many more moving beyond back office services. Working with experienced providers to plot a course and roadmap for enterprise service management is a worthwhile activity, as it's only when doing this does the true potential of the platform emerge.
- **Don't be hemmed into the back office:** Furthermore, there is now a raft of stories from enterprises that are pushing the envelope with the platform and driving its applicability outside of traditional business services and the back-office. For these organisations, ServiceNow has become the orchestration engine for their transformation journey, or has become a vital value lever and controller for some of their more ambitious technology projects. Work to push the boundaries of the platform, explore, and experiment to find out what the platform and the surrounding ecosystem can support your business to do.
- **Focus on driving experiences wherever the platform sits:** For many enterprises and providers, the true value of ServiceNow services is their role in taking both customer and employee experiences to the next level. Building this mindset into the way you build out the solution is an essential step to getting the most business value out of engagements.

Recommendations: Enterprise Buyers

- **Use Design Thinking to design the right solution for your business:** Design Thinking is now a tried and tested approach and has moved far beyond the hype and fad phase. Using this powerful approach will support you in plotting out the right course and direction for your ServiceNow engagement and provide you with the mindset necessary to build the right solution for your particular business environment.
- **Feed new innovations into your roadmap:** The ServiceNow ecosystem is changing dramatically, with constant opportunities opening up for new innovations, integrations, modules, and frameworks to unlock new levels of business value. It's important to keep assessing these innovations as they develop—and start integrating the right ones into your future ServiceNow roadmap.
- **Embrace change and budget for it:** For the service management business environment, change is the only constant. A cliché, but one with years of proof and experiences sitting behind it. For enterprise buyers, embracing this change and budgeting for it—either with structured innovation funds or the tacit understanding that flexibility and resources will be needed in the future—is a vital piece of the puzzle. Working with experienced providers to help guide you through this change is a valuable first step.
- **Be upfront with your innovation expectations:** A standout characteristic from many of the more successful engagements studied in this research is that those who asked were far more likely to get what they wanted. Be up front in your discussions with your provider, and ensure they understand what they need to deliver to meet your expectations.

Recommendations: Service Providers

- **Start developing robust talent attraction and retention programs:** As the war for talent becomes more acute, attracting and retaining talent will become a more impactful challenge for providers to overcome. Many providers are currently unscathed from the ongoing battle, but that's unlikely to be the case indefinitely. Providers should start to reinforce their position now and build innovative attraction and retention programmes to make sure they have the delivery capabilities to meet the rising demand for ServiceNow services.
- **Keep building out knowledge of verticals:** Increasingly, the value proposition of particular vendors is their understanding or track record of delivery to a particular industry. This is becoming one of the key table stakes for selection and is an area that vendors will need to spend time and resources working on. Investing in solutions and frameworks that get to the crux of particular industry challenges will be essential as the market develops and calls for more targeted and innovative verticalised solutions.
- **Be ready to invest and experiment with clients:** Now more than ever, clients are looking for providers that are willing to build collaborative relationships with them. This means providers will need to put their money where their mouth is and take on some of the risk from engagements or engage more readily with clients on mutually beneficial experiments with the ServiceNow platform.

Recommendations: Service Providers

- **Bring proof of delivery to engagements:** In the world of foggy digital hype, clients are becoming increasingly cynical and are ready to scrutinise the real delivery capabilities of providers. This means that now more than ever, providers need to come to engagements armed with evidence. Pushing client success stories out to market is a vital part of this process, as is testing out new solutions with current clients to build out proof of innovation and delivery.
- **Build out marketing and thought leadership efforts:** The ServiceNow ecosystem is a busy place, and it's becoming harder to capture the mindshare of discerning clients switched off to hype. As a result, enterprise buyers need to contrast marketing and thought leadership programmes that help them set out their stall, but also support clients in finding the right provider to suit their business.
- **Focus on consistency:** One of the biggest bugbears for clients is the challenges they have had with consistency. This has spanned the full remit of the ecosystem from talent to services overall. Providers must work to ensure they are continually improving their services, but are also driving process, methodology, and framework improvements that build more consistent services and outcomes.

About the Authors



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With over five years experience in the IT services industry – as both a practitioner and a research analyst – Ollie understands the impact IT services have in the modern business environment.

Before joining HfS, Ollie was the Head of Research and an Industry Analyst for an ITSM Practice committed to providing IT Service and Support Organisations with the resources to deliver greater business value. There he developed a comprehensive research portfolio for the industry. He has researched and presented on a multitude of topics including automation, innovative support models, and real-time analytics. In 2017, Ollie was named second on a list of IT and ITSM experts to watch.

Before becoming an analyst, Ollie worked as an IT service professional in a large public sector organization. It was here that Ollie's passion for the industry developed.

He graduated from the University of Kent with a Bachelor's in History. He is also a certified Service Desk Manager with higher mastery. Among his eclectic collection of professional certifications, he has four advanced diplomas in ornamental aquatic fish care. He claims these landed him his first IT job as a member of the interview panel was an avid fishkeeper.

In his spare time, Ollie reads up on History, Geography, and Economics and spends an unfortunate amount of time playing strategy games on his computer. Ollie is partial to wheat beer and, in the right circumstances, Irish whiskey.

Tom Reuner

Senior Vice President, Intelligent Automation and IT Services



Tom Reuner is Senior Vice President, Intelligent Automation and IT Services at HfS. Tom is responsible for driving the HfS research agenda for Intelligent Automation and IT Services. Automation cuts across the whole gamut ranging from RPA to Autonomics to Cognitive Computing and Artificial Intelligence. This includes increasingly the intersections of unstructured data, analytics, and Cognitive Automation while mobilizing the HfS analysts to research Intelligent Automation dynamics across specific industries and business functions. Furthermore, he is supporting HfS' push to disrupt IT Services research by focusing on application services and testing. A central theme for all his research is the increasing links between technological evolution and evolution in the delivery of business processes.

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Tom's deep understanding of the dynamics of this market comes from having held senior positions with Gartner, Ovum and KPMG Consulting in the UK and with IDC in Germany where his responsibilities ranged from research and consulting to business development. He has always been involved in advising clients on the formulation of strategies, guiding them through methodologies and analytical data and working with clients to develop impactful and actionable insights. Tom is frequently quoted in the leading business and national press, has appeared on TV, and is a regular presenter at conferences.

Tom has a PhD in History from the University of Göttingen in Germany.

He lives in London with his wife, and in his spare time he tries to improve his culinary skills to distract him from the straining experience of being a Spurs supporter.

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