ISG Provider Lens™

ServiceNow Ecosystem Partners

A research report comparing provider strengths, challenges, and competitive differentiators

Customized report courtesy of:

QUADRANT REPORT | MARCH 2023 | AUSTRALIA

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The ServiceNow ecosystem is rapidly maturing resulting in optimised client outcomes.

The ServiceNow ecosystem has been one of the true success stories of enterprise technology in 2021 and 2022. The vendor itself has experienced substantial revenue growth and market penetration. For FY22, Generally Accepted Accounting Principles (GAAP) revenue was $7.2 billion, representing growth of 23 percent. This growth highlights the successful execution of the revenue growth and market strategy for ServiceNow. Australia is no different. Whilst ServiceNow does not release revenue numbers for the Australian market, anecdotal evidence from partners, clients, and the overall local ecosystem indicates that growth is above the global rate (allowing for currency fluctuations).

There a several reasons for ServiceNow's growth. Fundamentally, it is a platform for enabling change in enterprise IT. The focus on enterprise service management (ESM) has enabled clients to accelerate the automation of IT, HR, customer support, security, and compliance processes. This is the first compelling value proposition for the platform.

Flexibility and integration are essential for client investments in ServiceNow to be successful. The platform is designed to make configuration relatively easy for clients. This is a critical component to ensure that workflow solutions meet the requirements of a specific business and not the requirements of the software itself. ServiceNow is an integration tool; as a result, integration ease, functionality and speed are key components of the offering.

According to financial reports, ServiceNow currently spends nearly $2 billion annually on R&D to drive ongoing improvement and innovation in the product suite. This is highlighted by the bi-annual release cycle; ServiceNow has an approach of upgrading twice a year (March and September), with each new release named after a key global city or market, alphabetically. This approach

It is critical for providers to ensure apt **business outcomes** from ServiceNow investments.

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adds some theatre and energy to the otherwise monotonous enterprise software and infrastructure upgrade cycle. It also adds challenges for a client in optimising and managing the upgrade cycle alongside ensuring that business value is generated.

The platform's scalability, both in the breadth of the organisation and the number of users and touchpoints, is also a key reason for its success. Clearly, the cloud is scalable, and ServiceNow's offerings are constantly expanding. Recent investments in HR solutions are a natural and integrated extension of the platform's application in an enterprise. Another factor driving the approach to scalability is the ease of use. In general terms, ServiceNow is considered a relatively easy platform for use by non-technical team members. This is essential as the platform increases its reach into functional areas such as customer service and HR, which can have many non-technical or non-IT employees.

ITSM and IT operations management (ITOM) are at the heart of ServiceNow's capabilities. As organisations and enterprises have scrambled to digitalise and overhaul these capabilities in the light of the pandemic and the post-pandemic world, ServiceNow has been able to align the ITSM and ITOM strategies for clients. This has been a solution of choice to manage an enterprise's IT pain point, the disconnect between the delivery of services and the monitoring and measurement of those solutions.

The other critical aspect of ServiceNow's reach and value generation is the partner point of view. Clearly, there has been a scramble in Australia and globally to build out partner resources and capabilities, just as there has been in the other hyper-growth infrastructure-as-a-service (IaaS) and software-as-a-service (SaaS) platforms such as AWS, Azure, and Salesforce. As result, the ServiceNow partner ecosystem is incredibly dynamic, both locally and globally. As with all technology and business platforms, there is a diverse range of partners, from the largest global system integrators (GSIs) to localised niche operators. All are looking to provide solutions on the ServiceNow platform to ensure that clients make the most of their investments. The portfolio of compelling partners has a valid value proposition that is flexible to client requirements and needs that are, of course, varied and complicated by firm. One note of interest for the ServiceNow ecosystem is that it is primarily services based. The ISV ecosystem is relatively modest in comparison with a similar enterprise SaaS platform such as Salesforce or Oracle.

There are three underlying factors that are impacting the services market for ServiceNow in Australia.

First and foremost is the skills issue. Skills are in great demand. As much as ServiceNow is a tool to enable process automation, the skills need to be in place to enable this. Both for onshore and offshore resources, there is a need to accelerate certification and the actual pool of skills. ServiceNow and service partners have a strong commitment to training, but all would love to have extra skills and resources present and available.

Second, and related very closely to the skills issue, is the consolidation in the market. This is occurring globally, and Australia is not immune. In late 2022 the largest Australian independent ServiceNow services partner, Enable, was acquired by Fujitsu and became Enable, a Fujitsu Company. In a similar timeframe, the largest independent ServiceNow partner in New Zealand, Red Moki, was acquired by EY. It is anticipated that consolidation will continue locally and globally, further changing the scale of providers. At the same time, consolidation offers an opportunity for providers to fill the gap and increase presence, scale and visibility in the market.

The third issue is related to ServiceNow's approach to partnering. Discussions with partners and the ecosystem in this report have made it clear that whilst the market is growing strongly, it needs more support from ServiceNow. As with many large-scale cloud providers, the build-out of a services ecosystem has presented some challenges to ServiceNow. The company has quickly improved its reputation in the eyes of the service partners. Recent changes proposed at the 2023 Global Partner kickoff have been seen in a relatively positive light. There will be changes to partner levels. Some are a concern for some partners. The changes to the investment requirements

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to make the "Elite" level of partner in Australian level are a concern for some partners that may not have the scale or investment path. At the same time, this same shift to the enhanced level is a challenge for other partners.

For this IPL report, ISG looks at three components of the services market: consulting services, implementation and integration services, and managed services. Each of these markets clearly addresses different client requirements and reflects the maturity of a client's investment in ServiceNow. As the report highlights, there are some vendors that have the capability to provide services across all three service areas with consistent levels of capability. At the same time, there are some vendors that have specialised capabilities in one or two of the three service areas. No approach is wrong. Whilst some services vendors are looking to go up, or down the stack, the key requirement is that they meet client requirements, build the level of skill required in the market, and, above all else, provide genuine and measurable business outcomes for clients.

M&A is accelerating in the Australian ServiceNow ecosystem as a tool providers use consolidation to meet current customer requirements and that in the future.

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Provider Positioning

	ServiceNow Consulting Services	ServiceNow Implementation and Integration Services	ServiceNow Managed Services Providers
AC3	Rising Star ★	Leader	Product Challenger
Accenture	Leader	Leader	Leader
Capgemini	Leader	Leader	Leader
CloudGo	Product Challenger	Contender	Contender
Cognizant	Leader	Market Challenger	Product Challenger
Deloitte	Leader	Leader	Leader
DXC Technology	Contender	Market Challenger	Market Challenger
Enable	Leader	Leader	Leader
Epicon	Contender	Contender	Contender
EY	Leader	Market Challenger	Product Challenger

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Provider Positioning

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	ServiceNow Consulting Services	ServiceNow Implementation and Integration Services	ServiceNow Managed Services Providers
Genpact	Market Challenger	Market Challenger	Market Challenger
HCLTech	Market Challenger	Leader	Leader
Hexaware	Contender	Not In	Not In
IBM	Market Challenger	Market Challenger	Not In
Infosys	Leader	Leader	Leader
JDS Australia	Contender	Contender	Contender
Kinetic IT	Leader	Rising Star ★	Leader
KPMG	Leader	Leader	Rising Star ★
Kyndryl	Contender	Contender	Product Challenger
Leidos	Contender	Contender	Contender

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Provider Positioning

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	ServiceNow Consulting Services	ServiceNow Implementation and Integration Services	ServiceNow Managed Services Providers
Nexon	Contender	Contender	Contender
Sysintegra	Contender	Contender	Not In
Tcloud	Contender	Contender	Not In
TCS	Product Challenger	Product Challenger	Leader
Tech Mahindra	Product Challenger	Product Challenger	Product Challenger
Thirdera	Leader	Leader	Product Challenger
ValueFlow	Product Challenger	Contender	Contender
Wipro	Market Challenger	Leader	Leader

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Key focus areas for ServiceNow Ecosystem 2023.

- **ServiceNow Consulting Services**
- **ServiceNow Implementation and Integration Services**
- **ServiceNow Managed Services Providers**

Simplified Illustration Source: ISG 2023

Definition

ServiceNow announced its 2022 third quarter subscription revenues were $1,742 million, which translates to a 22 percent year-over-year growth and is a clear demonstration that the ServiceNow Platform fits well to the market demands for transformation that is based on improved and engaging customer experience.

ServiceNow partners are benefiting from the growth, as every dollar spent on subscription licenses can lever into substantial revenue for the ServiceNow ecosystem.

The ServiceNow Ecosystem 2023 study examines the extensive, complex global partner network of one of the leading software solutions that allows companies to digitalise, connect and automate siloed processes to make workflows smoother. The broad acceptance of ServiceNow's offerings among the user community has led to the company's exponential growth across the globe. Enterprises seek accredited and reliable professional services to fully utilise ServiceNow's broad functionalities – from process redesign and software implementation and integration to application management and training. Various offerings and certification levels indicate the focus of partner companies, covering full-scale lifecycle support and laser-focused services for specific tasks.

Digital transformation is powering the future of organisations that are exploring new ideas, innovating at scale and realising value faster by empowering people to do their best in a rapidly changing world, and the ServiceNow platform accelerates that journey.

The ISG Provider Lens™ ServiceNow Ecosystem 2023 study analyses the services and offerings of ServiceNow partners in the U.S., Brazil, Germany and Australia in selected segments. The findings from the analysis help assess the service providers operating in the defined segments for the strength of their respective portfolios and their competitiveness in the market.

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Scope of the Report

In this ISG Provider Lens™ quadrant report, ISG covers the following three quadrants for ServiceNow services/solutions: ServiceNow Consulting Services, ServiceNow Implementation and Integration Services and ServiceNow Managed Services Providers. This ISG Provider Lens™ study offers IT decision makers with the following:

- Transparency on the strengths and weaknesses of relevant services providers
- A differentiated positioning of providers by segments
- Focus on regional market

Our study serves as the basis for important decision-making in terms of positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their existing vendor relationships and potential engagements.

Provider Classifications

The positioning of the suppliers reflects the suitability of the IT service providers for a defined market segment (quadrant). Unless otherwise noted, the positioning applies to all company size classes and industries.

If the IT service requirements of large companies and SMEs differ and the range of IT providers active in the local market is sufficiently broad, a further differentiation of IT providers by service is made according to the target group for products and services. Either industry requirements or the number of employees as well as the corporate structures of the customers are taken into account and the IT providers are placed based on their focus.

As a result, a distinction is made between two customer groups, which are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues of $20 million to $999 million, headquartered in the country concerned and generally privately held.
- **Large Accounts:** These are multinational companies with 5,000 or more employees or revenues of more than $1 billion, operating worldwide and with decision-making structures spread across the globe.

The ISG Provider Lens™ quadrants are based on an evaluation matrix and include four fields in which providers are ranked: Leader, Product & Market Challenger and Contender. Each quadrant of an ISG Provider Lens™ study may also include a provider that ISG believes has great potential to achieve a leader position. Such providers may be classified as Rising Star.

Number of providers per quadrant:
ISG evaluates and places key providers according to the scope of consideration for each study; the number of providers per quadrant is limited to 25, but exceptions may apply.

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Provider Classifications: Quadrant Key

Product Challengers offer a product and service portfolio that reflect excellent service and technology stacks. These providers and vendors deliver an unmatched broad and deep range of capabilities. They show evidence of investing to enhance their market presence and competitive strengths.

Leaders have a comprehensive product and service offering, a strong market presence and established competitive position. The product portfolios and competitive strategies of Leaders are strongly positioned to win business in the markets covered by the study. The Leaders also represent innovative strength and competitive stability.

Contenders offer services and products meeting the evaluation criteria that qualifies them to be included in the IPL quadrant. These promising service providers or vendors show evidence of rapidly investing in products/ services and a follow sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

Market Challengers have a strong presence in the market and offer a significant edge over other vendors and providers based on competitive strength. Often, Market Challengers are the established and well-known vendors in the regions or vertical markets covered in the study.

★ **Rising Stars** have promising portfolios or the market experience to become a Leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market in the studied region. These vendors and service providers give evidence of significant progress toward their goals in the last 12 months. ISG expects Rising Stars to reach the Leader quadrant within the next 12 to 24 months if they continue their delivery of above-average market impact and strength of innovation.

Not in means the service provider or vendor was not included in this quadrant. Among the possible reasons for this designation: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not meet the eligibility criteria for the study quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer or plan to offer this service or solution.

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ServiceNow Consulting Services

Who Should Read This Section

In this quadrant report, ISG highlights the current market positioning of providers of ServiceNow consulting services in Australia and how each provider addresses the critical challenges faced by enterprises and agencies in the country. ISG highlights the current positioning of these providers, with a comprehensive overview of the competitive landscape of the market in Australia.

Australian enterprises and government agencies have to evaluate ServiceNow consulting service providers based, in part, on their end-to-end delivery capabilities. They expect an investment and capability roadmap, a blueprint for process transformation, and evidence that the capabilities offered by ServiceNow are aligned with their business expectations. They expect these providers to have proven capabilities and workflows beyond ITSM, IT operations management (ITOM), and IT asset management (ITAM).

Concurrently, providers of ServiceNow solutions are expected to offer consulting services to identify and implement related applications and solutions from other ISVs to ensure that business objectives are met effectively.

C-level executives should read this report as they are looking to bring about business transformation through ServiceNow and need to understand the capabilities of consulting providers.

Digital transformation leaders should read the report as they spearhead initiatives to build a resilient and future-proof organisation to determine how service providers design ServiceNow solutions to meet their requirements.

Consulting stakeholders related to management, technology, and overall transformation should read this report to understand ServiceNow's approach to the market and the best practices of the various market leaders.

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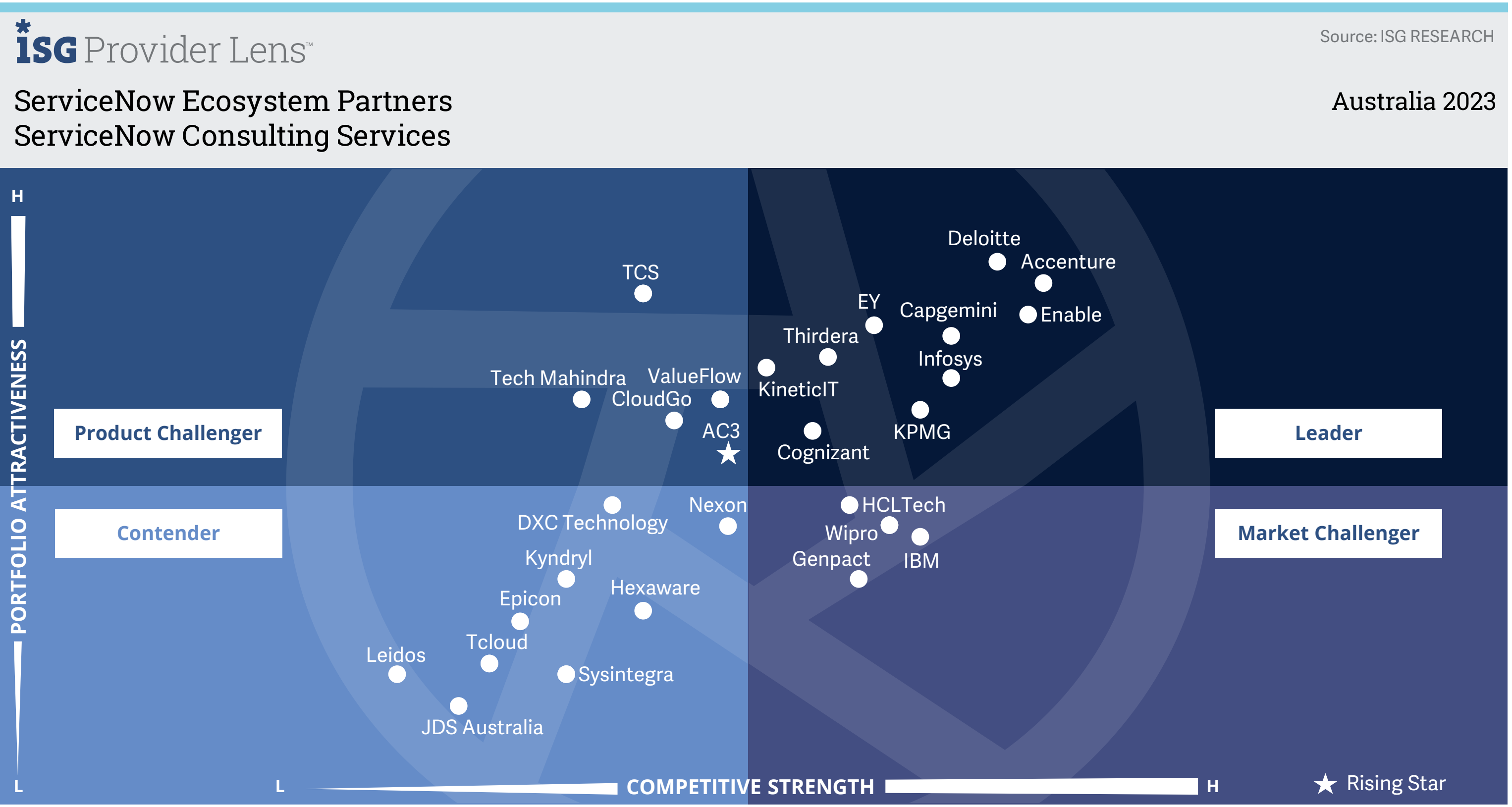

The ServiceNow Consulting Services quadrant ranks leading providers in the critical consulting services market. **Consulting services act as the beginning of the ServiceNow journey for many clients.**

Phil Hassey

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Definition

This quadrant assesses the providers of consulting services that help clients prepare for the use of workflow management services. With ServiceNow's growth regions and new offerings, on one hand, and the new economic realities, on the other hand, ServiceNow consulting services are gaining traction. Many clients will face budget restrictions, with the preservation of already-taken investments playing a bigger role. However, clients can expect to get the biggest benefit from the platform.

Designing client roadmaps to use ServiceNow as the main engagement platform to intelligently connect different systems will be an architectural challenge, especially when new functionalities come with each release. New potential use cases in the areas of customer services, facility management, field services and ESG compliance are envisioned, which requires the roadmaps to be designed in a way that the platform delivers the highest value to clients.

Clients may prefer consulting companies that have already invested in reference models and assessment methodologies, understand clients' maturity and prevailing challenges, and have a broad understanding of ServiceNow's technical capabilities and future releases, which can help design solutions and deploy roadmaps. Helping clients understand what efforts towards transformation have to be made and that they need to have a robust change management offering and benefit realization plan in place can be a differentiating factor for consulting providers.

Eligibility Criteria

1. **Use of reference models, templates and frameworks:** Best practices in opportunity identification and assessments for new ServiceNow competencies; availability of frameworks, tools for ROI and business case development; and value realization metrics and benchmarks
2. **Experience in broad workflow and service management:** Designing client roadmaps to use ServiceNow as an integrated "platform of platforms" for all major corporate business operations and IT services.
3. **Knowledge of ServiceNow capabilities and other tools:** Knowledge of different releases, the functional and business processes supported by ServiceNow, and ITSM and ITOM and expertise in areas such as CSM, HR, F/A, facility management, ESG, and security
4. **Possess relevant certifications:** ServiceNow certifications and workflow badges, ITIL 4 expertise, COBIT, DevOps and ESM-related accredited experience

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Observations

The 2023 IPL study for ServiceNow builds on the observations and insights communicated by the 2022 report. As in 2022, the underlying characteristic in 2023 is the successful growth of ServiceNow in the local Australian market. This is on the back of continued digital transformation and growth in the breadth of ServiceNow capabilities. With enterprises increasing their investments across the ServiceNow portfolio, the importance of investment in consulting solutions has subsequently amplified. Due to the strategic importance of consulting solutions in laying the groundwork for ServiceNow adoption, it is not surprising that the market is incredibly competitive. Mergers and acquisitions are increasingly occurring at the global and regional levels to boost not only consulting capabilities but also capacity in the implementation of managed services solutions.

From the 36 companies assessed for this study, 26 have qualified for this quadrant, with 10 being Leaders and one Rising Star.

accenture

Accenture builds on the breadth of its consulting capabilities, across a range of platforms, to provide clients with ServiceNow solutions that optimise organisational data and processes and enable the desired business outcomes.

Capgemini

Capgemini works with both private and public sector clients in Australia. It focusses on ensuring that ServiceNow solutions align with clients' business requirements and are in tandem with their path to digitalisation.

cognizant

Cognizant aligns its consulting capabilities in business transformation with offerings for organisational change management (OCM) to deliver client requirements for upfront consulting engagements.

Deloitte

Deloitte underlines its consulting engagements with a detailed understanding of clients' business requirements and subsequent investments in ServiceNow to ensure the effective use of the platform after each bi-annual release.

enable

Enable, a Fujitsu Company, is focused on merging the global consulting capabilities of Fujitsu with locally developed processes and proprietary components that it has historically been providing.

EY

EY acquired New Zealand based Red Moki in late 2022. This has provided it with increased local skills and capabilities from a consulting perspective. This acquisition will also enhance its capabilities, particularly in core solutions such as risk optimisation.

Infosys

Infosys has an Australian ServiceNow practice that is focused on increasing the depth of its expertise in specific industries such as logistics, healthcare and financial services. It also leverages its skills and breadth in process reengineering for consulting outcomes.

Kinetic IT

Kinetic IT has successfully migrated from a Rising Star to the position of Leader in the Australian ServiceNow market. It has done so by reorienting its efforts and capabilities in the consulting space to provide fundamental and dedicated solutions to clients.

KPMG

KPMG drives compliance and service delivery with a focus on ITSM solutions for Australian clients. It leverages its strengths in risk management and security to ensure that these processes are in place at the outset of a ServiceNow deployment life cycle.

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Thirdera

Thirdera is a key independent provider of ServiceNow consulting services in Australia. It focusses on ServiceNow requirement assessments and roadmaps alongside training to develop platform-related in-house skills for clients.

AC3

AC3 is the Rising Star in the ServiceNow consulting market in Australia. It has accelerated investments in solutions for the ecosystem and built a consulting practice based on its experience as a ServiceNow customer.

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Rising Star

"AC3 is a Rising Star in ServiceNow consulting services in Australia. It has grown from a ServiceNow customer to a key provider in the local market."

Phil Hassey

AC3

Overview

AC3, established in 1999 and based in Sydney, has approximately 400 employees. The company offers a range of capabilities across cloud, infrastructure, and application platforms for clients in Australia. It has a strong history of serving the government sector and not-for-profit clients. It also has a growing enterprise business that is expected to help drive the next generation of growth. Alongside ServiceNow, its key technology partners include Azure and AWS (hyperscalers), and also VMware.

Strengths

Strength in multiple platforms: AC3 has been ranked as a Leader in the Azure, AWS, and ServiceNow ecosystems in the Australian market. This highlights its strength and consistent delivery capabilities for a range of clients across technologies, especially in the cloud.

Elite Partner of ServiceNow: This partnership supports the managed services and service integration and management (SIAM) platform services AC3 provides to clients. As ServiceNow's criteria for Elite partners changes, AC3 is confident it will remain in this select group of providers.

Growing up on ServiceNow: AC3 started its ServiceNow experience as a customer. As a result it has a unique perspective on the roadmap and is able to leverage this hands-on experience in its consulting services, across the ServiceNow ecosystem, for its clients.

Prioritising security: The history that AC3 has with managing the NSW Government's private network and ensuring security for related communications is a key reference point for the security solutions it can offer to enterprise clients.

Caution

As with every other vendor in Australia, AC3 is battling a scarcity of resources in the ServiceNow ecosystem. It needs to retain its resources and invest in local talent so that it continues to grow in this ecosystem.

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ServiceNow Implementation and Integration Services

Who Should Read This Section

In this quadrant report, ISG highlights the current market positioning of providers of ServiceNow implementation and integration services in Australia and how each provider addresses the critical challenges faced by enterprises and agencies in the country. ISG highlights the current positioning of these providers, with a comprehensive overview of the competitive landscape of the market in Australia.

Enterprises in Australia are keen on strategically leveraging the ServiceNow ecosystem and innovations for their digital transformation. They are also focussing on implementations that provide tangible and repeatable business outcomes. To achieve this, they require the support of teams of certified ServiceNow experts, proven implementation methodologies and strategies, and flexible implementation models.

All enterprises and agencies differ in their investments in ServiceNow and their overall technology postures. As a result, it is imperative for implementation and integration service providers to focus on flexible and strong customer relationships and to offer tailored solutions to address specific customer requirements.

Corporate strategy professionals should read this report to procure the right system integration partner for ServiceNow implementation to identify and execute a long-term technology roadmap.

Technology leaders should read this report to understand configuration and integration approaches to ServiceNow solutions and the providers best suited for their requirements.

Engineering professionals should use this report to understand the developments in software solutions to invest and build intellectual property and accelerators for relevant activities, cloud platforms and industries.

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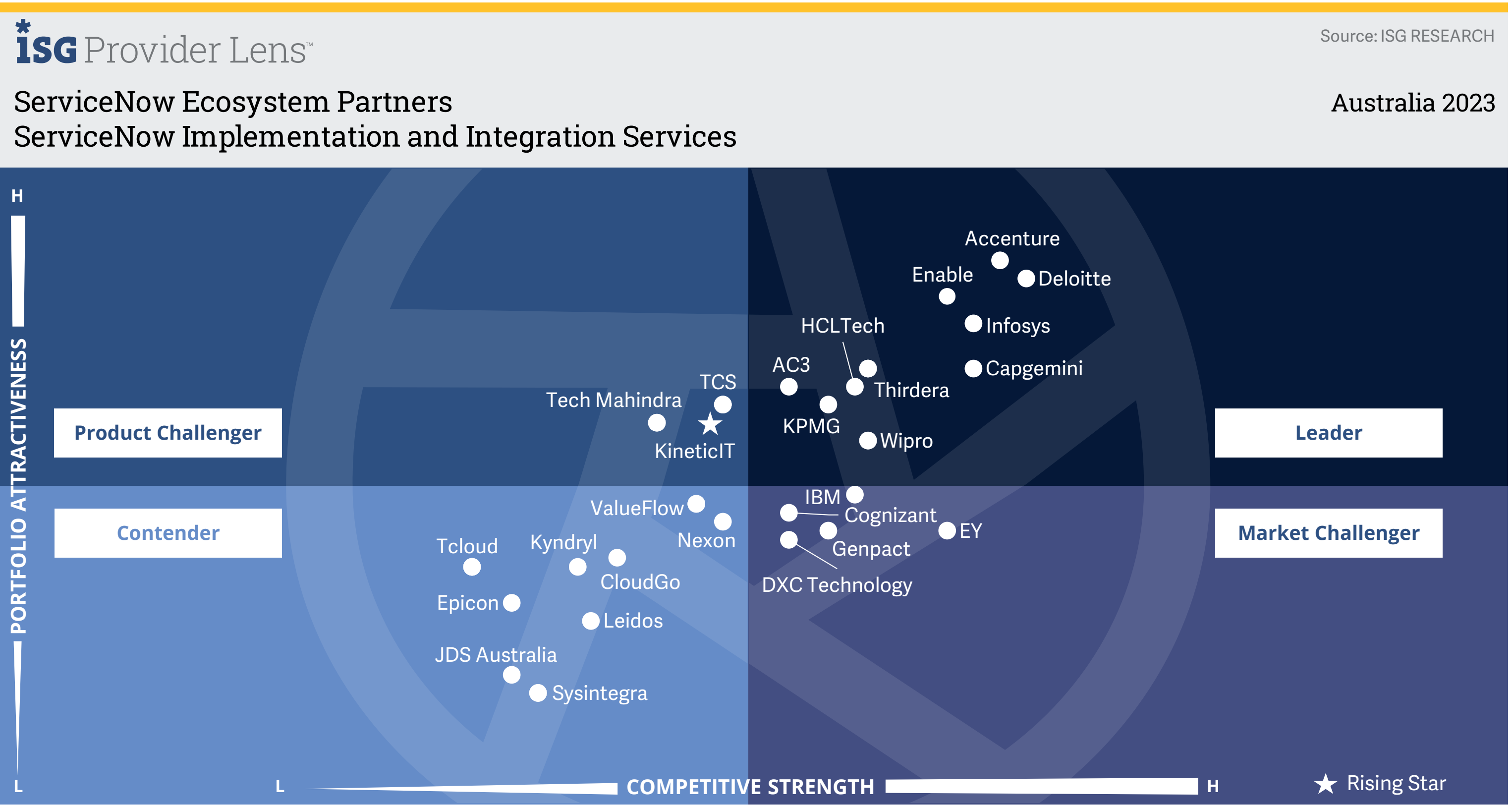

The ServiceNow Implementation and Integration quadrant assesses leading providers offering critical services in the market. **Implementation services are where the real value is generated from ServiceNow deployment.**

Phil Hassey

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Definition

ServiceNow is often seen as the central system that brings together external and internal client requirements that need to be fulfilled, without adding to an organisation's internal complexity. Implementing such an intelligent workflow platform in a complex enterprise requires expertise and experience, as well as special capabilities to integrate with other applications, software and tools. The integration should be as seamless as possible, with minimum data reformation.

To succeed, service providers need to have solid methodologies and an agile workforce, trained with modern methods, that can be easily scaled up and down. They also need outstanding capacities in system architecture, deep coding experience for low-code/no-code developments, and a deep understanding of AI and machine learning. The high complexity of multicloud, multitenant architectures and growing concerns about cybersecurity both force clients to look for service providers with high efficiency. Service providers also need to focus on certifications to prove their credibility to clients.

Eligibility Criteria

1. **Use of predefined solutions, accelerators and templates:** Experience in Agile project management (PMP certifications, SAFe and Scrum), continuous integration/continuous development and DevOps best practices and toolchains, containerization platforms, application performance monitoring, and platform-specific ops management tools
2. **Experience with emerging technologies:** Enterprise-shared services/BPO; cloud and multicloud integration; end-to-end (E2E) management of machine learning techniques; and NLP and AI capabilities paired with cognitive computing to enable digital service management (DSM), virtual agents and self service
3. **Speed of adoption and value realization:** Deploy new features, modules and enhancements on the ServiceNow platform in a cost-effective and efficient manner
4. **Ability to offer maintenance support:** Support with installations, upgrades and new feature/module release management, migration, patch management, lifecycle management of ServiceNow instances and maintenance after ServiceNow release migration
5. **Size and capabilities of local and global delivery teams:** Expertise in relevant ServiceNow technologies such as API development, JSON, and Python
6. **Experience in system, data and process integration:** Integration with the hub and spoke model (starter, standard, professional, and enterprise levels)
7. **Customer satisfaction measurement:** Ability to gather voice of customer, service satisfaction index, ServiceNow score, and Net Promoter Score (NPS)

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Observations

This is the second ISG Provider Lens™ study focussing on the Australian ServiceNow market. When the market changes are compared year on year, the market is recognised as evolutionary, not revolutionary. There are changes of significance, however. The acquisition of Enable by Fujitsu has had a substantial impact on the local market, by both providing a stronger competitive edge to Fujitsu and opening an opportunity for local providers to maximise.

The growth in the market, of course, reflects the success that ServiceNow is enjoying in the Australian, APAC, and global markets. For a client, the breadth of a service provider's ServiceNow portfolio is a key requirement to engage in implementation services; clients are no longer buying single modules but require integration in areas such as security, processes, ITOM, and ITSM to optimise their investment in ServiceNow from the application and technology standpoints.

The market is a highly competitive one, a characteristic it shares with most of the major technology markets in Australia. This competitive nature is further fuelled by a skills crunch. Despite reports or layoffs, particularly in the US market, the demand for skills in Australia, particularly in the ServiceNow market that is showing robust growth, indicates a supply deficit.

From the 39 companies assessed for this study, 26 have qualified for this quadrant with 10 being Leaders and one Rising Star.

AC3

AC3 has successfully transitioned from being a Rising Star to a Leader from the 2022 to 2023 study. This outcome has been driven by its focus on service excellence for clients, alongside consistent skill delivery.

accenture

Accenture's implementation and integration capabilities are a natural extension of the breadth and depth of its ServiceNow consulting services. It offers unmatched scale in the implementation and integration market.

Capgemini

Capgemini's perspective on ServiceNow implementation and integration solutions for local clients, is to improve technology efficiency and maturity, drive corporate governance, and support the digitalisation of processes.

Deloitte

Deloitte looks to leverage implementation services in a way that enables customers to understand and leverage the potential of their investments in ServiceNow. Its investments in establishing alliances are geared to make this a reality.

enable

Enable, a Fujitsu Company, had developed substantial IP prior to its acquisition by Fujitsu that enabled it to provide focused, repeatable solutions, aligning technological and cultural outcomes with client investments.

HCLTech

HCLTech leverages the portfolio of its partners, particularly Microsoft and SAP, to maximise the ServiceNow investments for clients. These clients can realise the value of integrated aspects of ServiceNow rather than the limited itemised or singular approach.

Infosys

Infosys looks to leverage AI-based solutions and client investment in data for implementation and integration. This foundation enables smooth integration outcomes for clients on this step of their ServiceNow journey.

KPMG

KPMG's implementation and integration capabilities are focused on the strength of its consulting offerings around ITSM. For many clients, it is uniquely placed to ensure risk management and security outcomes from investments in ServiceNow.

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Thirdera

Thirdera, as an independent provider, has a unique position in the local market. The implementation and integration solutions it offers aim to ensure that clients realise value from ServiceNow investments.

wipro

Wipro has completed more than 160 engagements for ServiceNow globally, which includes several key logos, to drive growth in Australia. Its focus is on ITSM, which is a priority in the local market, alongside security and governance, risk, and compliance (GRC).

Kinetic IT

Kinetic IT is the Rising Star in the ServiceNow implementation and integration market in Australia. This positioning is based on the comprehensive portfolio it offers, aligned with managed services, for local clients.

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Leader

"AC3 is a Leader in ServiceNow implementation and integration services in Australia. It is able to take clients beyond consulting towards genuine business outcomes."

Phil Hassey

AC3

Overview

AC3, established in 1999 and based in Sydney, has approximately 400 employees. The company offers a range of capabilities across cloud, infrastructure, and application platforms for clients in Australia. It has a strong history of serving the government sector and not-for-profit clients. It also has a growing enterprise business that is expected to help drive the next generation of growth. Alongside ServiceNow, its key technology partners include Azure and AWS, and VMware.

Strengths

Speed of upgrade: AC3 looks to ensure that clients are able to quickly maximise value from investments, following ServiceNow's biannual upgrades. This expertise is driven by service delivery maturity assessments to ensure that optimised ServiceNow environments are in place and are being leveraged by clients.

Expansion of services to New Zealand: AC3 has recently expanded its capabilities to New Zealand. This will increase the scale and skills of the organisation and help clients on both sides of the Tasman optimise their investments in ServiceNow, particularly with an early focus on maximising asset management related to the platform for public sector clients.

Focus on business value: AC3 has had a strong focus on business value across the solution sets it provides, and this applies to investments in the ServiceNow portfolio. It is helping government agencies, in particular, increase and measure the value of their platform investments to maximise business outcomes.

Caution

AC3 competes with a range of global service and solution providers. It needs to constantly reinforce the benefits of its local market sovereignty to generate value for its clients in the region.

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ServiceNow Managed Services Providers

Who Should Read This Section

In this quadrant report, ISG highlights the current market positioning of providers of ServiceNow managed services in Australia and how each provider addresses the critical challenges faced by enterprises and agencies in the country. ISG highlights the current positioning of these providers, with a comprehensive overview of the competitive landscape of the market in Australia.

For successful managed services engagements, it is critical to identify, leverage, and manage human resources optimally. Teams engaged in managed service deals must familiarize themselves with a client's business, environment, and culture. This includes understanding the success metrics success from the client's perspective. It also includes the ability to identify processes and workflows that can be extracted and optimised from an investment in ServiceNow managed services solutions. This enables programmes such as change management and project reviews to be suitably aligned with client requirements.

ServiceNow upgrades occur bi-annually to ensure innovation. It is the responsibility of a managed services team to support these upgrades. At the same time, it is also critical to identify the processes to be automated and optimised to save time and enhance outcomes.

C-level executives should read this report as they are looking to bring about business transformation through ServiceNow and need to understand the capabilities of managed service providers.

Service line leaders, including service line and functional professionals that lead technology, corporate, and organisational functions, should read this report to identify the best practices associated with managed service solutions.

Delivery leaders responsible for customer experience should read this report to understand ServiceNow managed service providers' ability to consistently deliver to client requirements.

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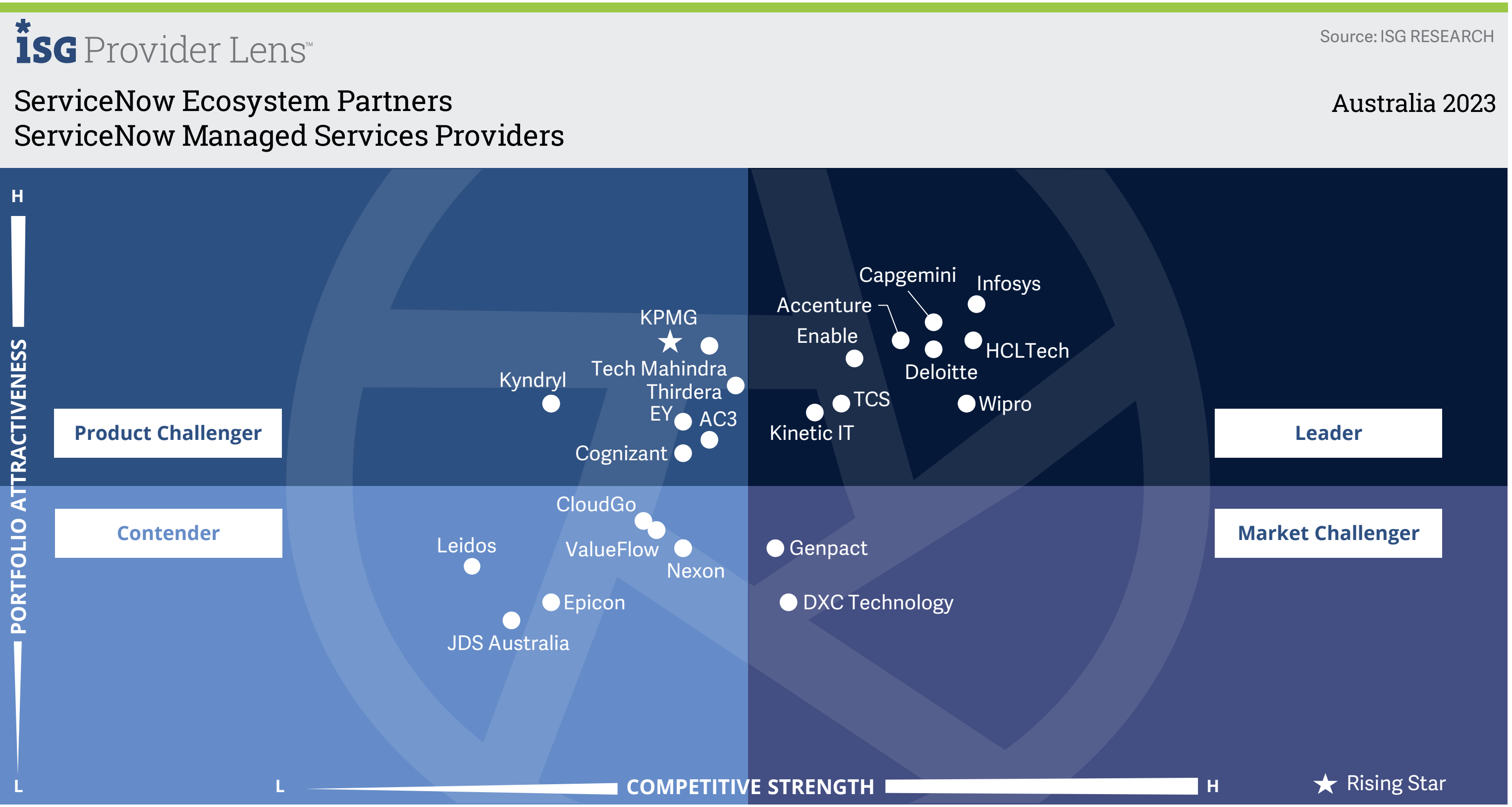

The growth in the managed services market reflects the strategic growth in importance of ServiceNow solutions and the ongoing **platform maturity enabled by business outcomes. Cost management** will continue to be a key driver for market growth.

Phil Hassey

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Definition

This quadrant assesses providers for their capability to offer managed services for maintenance and support functions, including monitoring; remote support; and the centralized management of the Now platform, workflows and the applications that run on the platform.

With the growing popularity of the DevOps method, managed service providers are expected to comply with a new set of requirements. These providers need to be prepared for the continuous evolution of the platform, which can challenge the status quo of the existing solution, and the management of two new releases in a short period.

Considering the complexity of workflows that need to be supported, providers have to deliver services with global reach and cross-organizational use. They also need to support a highly sophisticated and integrated application landscape and prove how they operate in or integrate with a multi-vendor environment.

When analyzing the providers in this quadrant, maintenance, data quality management, data security and compliance-related aspects are considered. Managing multi-cultural aspects when nearshore/offshore delivery is involved is as important as offering different deployment options, considering potential data privacy and residency concerns. Also important is different pricing options due to the new economic situation in many countries.

Eligibility Criteria

1. **Experience with support:** Includes ServiceNow's Now platform, workflows, third-party applications, integrators and accelerators, newly released features/modules and upgrades
2. **Delivery capabilities:** Efficient delivery with proximity to clients
3. **Technology partners:** Partnerships with key software providers and breadth of application management service (AMS)-related portfolio
4. **Service integration and management (SIAM) and delivery models:** Experience in managing ServiceNow in broader applications, such as AIOPs, MLOps and ITOps
5. **Maturity of delivery and contract models:** Ability to manage multiple vendors and dependencies between toolchains and support SLAs
6. **Broad customer base:** Includes local use cases and references
7. **Intelligent, adoptive and evolutive maintenance:** In sync with upgrades and functionality enhancements from ServiceNow and technology ecosystems, as well as with service integrators, in-house engineering teams, external partners and specialist tool providers
8. **Ability to manage decentralized deployment inside the organization:** Adoption of low-code/no-code and citizen developer techniques; training for identification and delivery; and user knowledge updates on new releases, versions, features and modules

In addition to the criteria mentioned above, the following parameters apply to all the quadrants:

* Unique differentiators
* Economic stability
* Market position

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Observations

This is the second IPL study focussing on the Australian ServiceNow market. From the managed services perspective, the market is still a long way from full maturity. Many provider organisations are only in the introductory stage of their relationship with ServiceNow. As a result, the focus is currently on the consulting and implementation and integration aspects, with managed services in the background to some extent.

That will change as the market shifts in maturity. Clients struggle with the increased scale of their investments in ServiceNow, and related ecosystems and skills continue to remain scarce. Managed services will increasingly become a compelling investment avenue for enterprises. This is not just a characteristic of the ServiceNow marketplace. The same or similar dynamics are at play in the hyperscaler market and in markets related to other SaaS platforms such as Workday and Salesforce.

From a competitive point of view, there are some interesting mechanics at play here. Australia-based vendors are increasing their focus on managed services as they look to automate more. The larger system integrators (SIs) and consulting firms are all committed to increased scale in managed services driven by automation, including RPA. The offshore delivery model also has a key role to play in building scale while driving down service delivery costs.

From the 37 companies assessed for this study, 25 have qualified for this quadrant, with nine being Leaders and one Rising Star.

Accenture has a long history in outsourcing and managed services. It is continuing this with ServiceNow as it looks to leverage the scale and strength it has in the integration space to the managed services environment.

Capgemini has end-to-end capabilities, and this is driving its growth in managed services. It has broad platform and partner agnostic capabilities but is focussing on key industries as the central avenue for growth.

Deloitte

Deloitte does not have a resource-heavy model. Like other consulting firms, its managed service capabilities are driven by automation-heavy solutions and the strength provided by its integration capabilities.

Enable, a Fujitsu Company, is able to leverage the Fujitsu legacy in managed services and apply a layer of its own capabilities to the ServiceNow ecosystem reinforcing the value proposition established by the acquisition of Enable by Fujitsu.

HCLTech has a strong focus on ITOM that is expected to drive its capabilities in managed services. It is able to leverage accelerators and automation alongside global delivery capabilities.

Infosys can leverage a dynamic blend of local, offshore and automation capabilities to provide clients with a long-term perspective through the delivery of managed services solutions for clients.

Kinetic IT

Kinetic IT is a leader in the Australian managed services space for ServiceNow due to its long experience with clients in the ServiceNow space. It has some of the longest ServiceNow relationships in the Australian marketplace.

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ServiceNow Managed Services Providers

TCS has a breadth of experience in managed services and a history of providing agnostic solutions for clients. A key capability is the focus on continual innovation for ServiceNow clients.

KPMG, as a Rising Star, leverages both automation and asset-rich approaches with its capabilities in the security and governance markets to provide managed services to clients of ServiceNow.

Wipro has deep experience in application management that seamlessly evolves into providing clients with managed service solutions in the ServiceNow ecosystem in the Australian marketplace.

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Appendix

The ISG Provider Lens™ 2023 – ServiceNow Ecosystem Partners Australia study analyzes the relevant software vendors/service providers in the Australian market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

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The research and analysis presented in this report includes research from the ISG Provider Lens program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of February 2023, for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

All revenue references are in U.S. dollars ($US) unless noted.

The study was divided into the following steps:

1. Definition of ServiceNow Ecosystem Partners market
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities & use cases
4. Leverage ISG's internal databases & advisor knowledge & experience (wherever applicable)
5. Use of Star of Excellence CX-Data
6. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & other sources.
7. Use of the following key evaluation criteria:
   * Strategy & vision
   * Tech Innovation
   * Brand awareness and presence in the market
   * Sales and partner landscape
   * Breadth and depth of portfolio of services offered
   * CX and Recommendation

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Author

Phil Hassey

Lead Analyst

Phil is a key contributor to ISG Asia/Pacific research team across many projects. With over 25 year's experience in research, corporate strategy, strategic marketing across a range of geographies, organisations and industries, he has an enviable reputation for understanding, assessing and communicating insight into the increasingly diverse and complex technology sector as it attempts to tightly integrate to business requirements. He is constantly "tilting the world view" with unique but grounded perspectives for clients.

He has worked for some of the largest, and smallest enterprises in the world to help them understand the role of the intersection of technology and business. At the same time he has also worked with technology and business providers to help ensure they place the customer requirements at the centre of their business. He has undertaken research and strategy projects on every continent, and for every possible application of technology and business.

Research Analyst

Arjun Das

Research Specialist

Arjun Das is a research specialist at ISG and is responsible for supporting and co-authoring Provider Lens™ studies on Enterprise Service Management, ServiceNow Ecosystem, Banking Platforms and Services and SAP HANA Ecosystem Services. He supports the lead analysts in the research process and authors the global summary report. Arjun also develops content from an enterprise perspective and collaborates with advisors and enterprise clients on ad-hoc research assignments as well. Arjun has helmed his current role since 2020.

Prior to this role, he has worked across several syndicated market research firms and has more than eight years of experience across research and consulting, with major areas of focus in collecting, analysing and presenting quantitative and qualitative data. His area of expertise lies across various technologies like IoT, Artificial Intelligence, VR/AR and blockchain.

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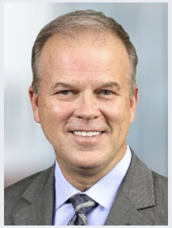
IPL Product Owner



Jan Erik Aase

Partner and Global Head – ISG Provider Lens™

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor.

Now as a research director, principal analyst and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.

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ISG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens research, please visit this webpage.

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ISG

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Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,600 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data.

For more information, visit isg-one.com.

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MARCH, 2023

REPORT: SERVICENOW ECOSYSTEM PARTNERS

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