ISG Provider Lens™

ServiceNow Ecosystem Partners

ServiceNow Implementation and Integration Services

A research report comparing provider strengths, challenges and competitive differentiators

AUSTRALIA | 2022 QUADRANT REPORT | APRIL 2022

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The Australian ServiceNow provider ecosystem has accelerated

As of September 2021, ServiceNow generated a revenue of $5.5 billion, with an annual growth of 31 percent. In Australia, it generated A$335 million, with the region favourable for customers, services and solution partners or ISVs of ServiceNow and its ecosystem.

This success reflects the focus for the establishment of ServiceNow in 2004. The vision of founder and current chairman, Fred Luddy was to "enable regular people to route work effectively through the enterprise."

In addition to the revenue growth, the market has witnessed an expansion of service line capabilities of ServiceNow. It has five core business solution offering areas, which include the following:

- Customer service
- Security
- IT
- HR
- Business applications

These core business solution offerings have expanded in recent years, as ServiceNow has looked to achieve Fred Luddy's vision. ServiceNow will continue to extend the breadth and depth of these offerings both organically and through acquisitions.

With the growth of its customer base and offerings (beyond the core IT related offerings), ServiceNow has become an essential platform for a range of enterprises across the globe. This growth has led to the expansion of ServiceNow

The future competitive **battle is direct** for talent ecosystem from both an ISV and services perspective. However, ServiceNow faces several significant challenges in maintaining this growth.

Forbes indicates that by 2030, there will be a skill shortage of over 85 million people across industries, especially in the technology sector, globally. As a result of this, access to skills and retention of skilled workforce will be a major challenge for ServiceNow in Australia and globally. It is less about the vendor and more about the certified consultant.

Automation is the future of businesses, and ServiceNow is focussing on ensuring that partners can automate business and technology processes for their clients in Australia. This is essential to achieve the desired client outcome from their investment in the product.

In Australia, the services markets based around ServiceNow solutions have experienced higher growth than the 31 percent experienced by ServiceNow. Service providers in the Australian market are making substantial investment in people and processes to ensure that ServiceNow clients optimise ROI on the platform.

MNC's local subsidiaries usually dominate the services and solutions market in Australia. However, several local providers have been successful in the market, and some are leaders in this space. For example, Enable, a local provider, is one of the largest ServiceNow ecosystem partners in Australia.

The ServiceNow upgrade cycle involves two major upgrades per year, each named after a major world city following the alphabet. At the time of writing the latest release is scheduled to be San Diego. This upgrade cycle is now common to the SaaS environment. However, both service providers and customers find it difficult to keep pace with upgrades. Also, they require significant skills and technical and customer environment data. This aggressive upgrade approach has ensured that demand for third-party service providers remain. On the other hand, these third-party service providers must invest heavily and consistently in ServiceNow platforms. This is to ensure access to alpha and beta releases of technology. Although smaller providers find this approach complex, there are instances of service providers based in Australia that have been successful in achieving this.

The ongoing COVID-19 pandemic has been a key factor for the growth of ServiceNow, its customers and partner ecosystem. The clients of ServiceNow that had the strongest IT and business process capabilities prior to the pandemic were the ones that retained their stronger positions in the market. This indicates that investment in technology is ineffective without the understanding of how it works for the individual company. This applies to ServiceNow as well.

The Australian IT and business services market is one of the strongest and most mature globally. Hence, from a functional perspective, it has a strong capability across the three quadrants included in the study — consulting, implementation and integration, and managed services. Although there are common vendors across the leadership position in all three quadrants, this is not uniform, and each provider has relative strengths and opportunities for growth.

COVID-19 accelerated investments in digital capabilities and ServiceNow.

Provider Positioning

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

Provider Positioning

	ServiceNow Consulting Services	ServiceNow Implementation and Integration Services	ServiceNow Managed Services Providers
Epicon	Contender	Contender	Contender
EY	Leader	Market Challenger	Product Challenger
Fujitsu	Contender	Contender	Market Challenger
Genpact	Market Challenger	Market Challenger	Market Challenger
HCL	Market Challenger	Leader	Leader
IBM	Market Challenger	Market Challenger	Market Challenger
Infosys	Leader	Leader	Leader
JDS Australia	**Contender**	Contender	Contender

Provider Positioning

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	ServiceNow Consulting Services	ServiceNow Implementation and Integration Services	ServiceNow Managed Services Providers
Kinetic IT	Rising Star ★	Product Challenger	Product Challenger
KPMG	Leader	Leader	Product Challenger
Leidos	Contender	Contender	Contender
TCS	Product Challenger	Product Challenger	Leader
Tech Mahindra	Product Challenger	Product Challenger	Product Challenger
Thirdera	Leader	Leader	Rising Star ★
Wipro	Market Challenger	Leader	Leader

This study focuses on the 2022 ServiceNow Ecosystem Partners market.

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

Simplified Illustration Source: ISG 2022

Definition

The ServiceNow Ecosystem Partners 2022 study examines the extensive, global and complex partner network of one of the leading workflow management software solutions. The broad acceptance of ServiceNow's offerings among the user community has led to exponential growth for the company. Enterprises seek professional services to fully utilise its broad functionalities — from process redesign through software implementation and integration to application management and training. Various offerings and certification levels indicate the focus of partner companies, ranging from full-scale lifecycle support to laser-focussed services for specific tasks.

Scope of the Report

In this ISG Provider Lens™ quadrant study, ISG includes the following three quadrants: ServiceNow Consulting, ServiceNow Implementation and Integration, and ServiceNow Managed Services.

This ISG Provider Lens™ study offers IT decision-makers the following:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments
- A view 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 provider position reflects the suitability of IT providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the IT service requirements from enterprise customers differ and the spectrum of IT providers operating in the local market is sufficiently wide, a further differentiation of the IT providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions IT providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between US$20 million and US$999 million with central headquarters in the respective country, usually privately owned.
- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above US$1 billion, with activities worldwide and globally distributed decision-making structures.

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly. Each ISG Provider Lens quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star.

Number of providers in each quadrant: ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).

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.

ServiceNow Implementation and Integration Services

Who Should Read This

This report is relevant to all enterprises and government agencies across Australia for the evaluation of providers of ServiceNow implementation and integration services.

In this quadrant, ISG highlights the current market positioning of providers offering ServiceNow implementation and integration services to enterprises and agencies in Australia and how each provider addresses the key challenges faced in the market. The report also provides a comprehensive overview of the competitive landscape of the market.

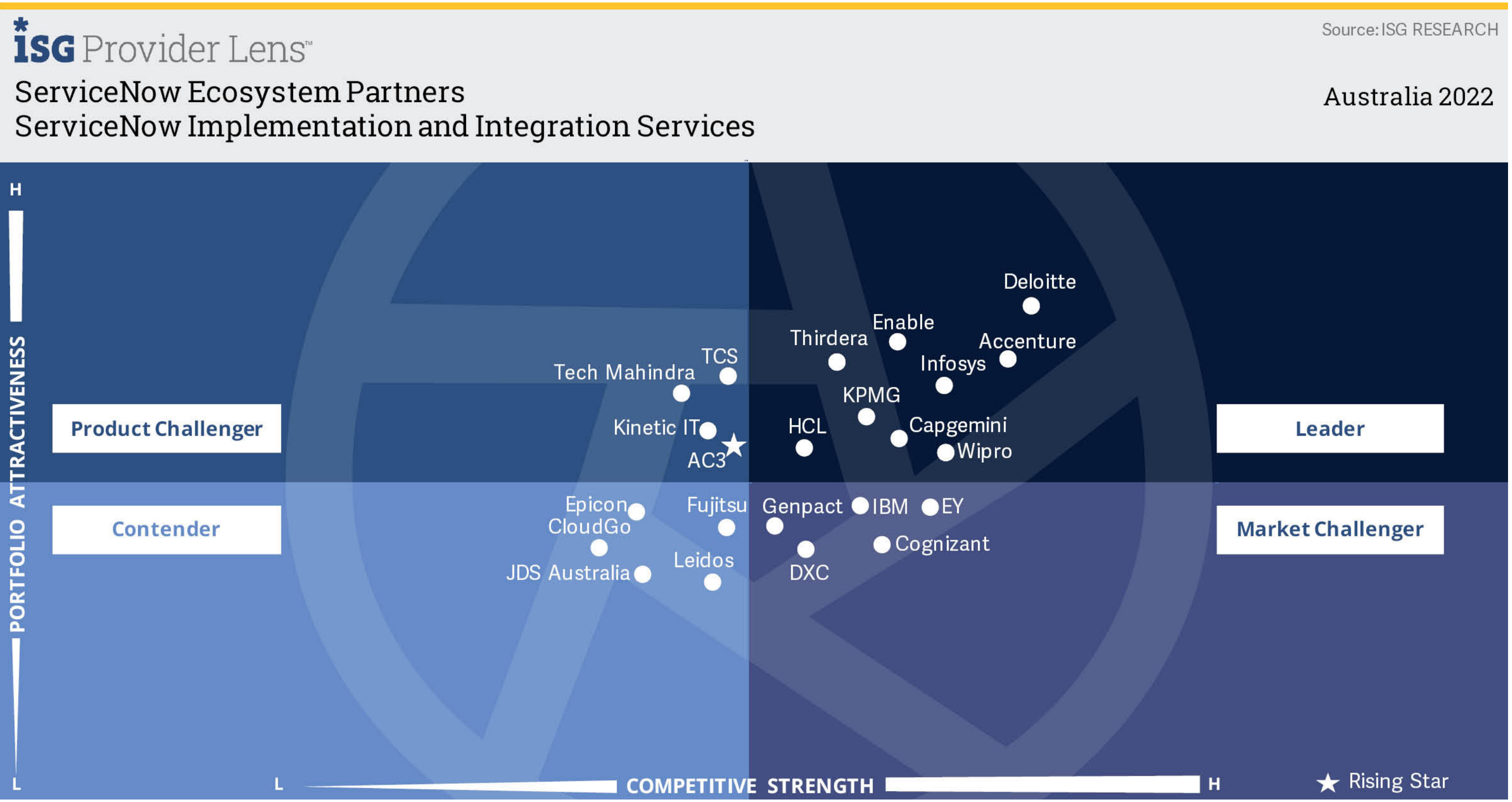
Enterprises in Australia are keen on strategically leveraging the ServiceNow platform ecosystem and innovations for their digital business transformation. They are also focusing on implementations that provide tangible and repeatable business outcomes. To achieve this, enterprises require consistent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

All enterprises and agencies are different in their investment in ServiceNow and their overall technology posture. As a result, flexibility and strong customer relationship are imperative for implementation and integration service providers to offer tailored solutions to cater to specific customer requirements.

C-level executives: Executive leaders, including CDOs and CTOs, should read this report to identify the appropriate integration partner for meeting technical and business requirements for ServiceNow implementations. This study will also help them understand the dynamic ServiceNow implementation and integration landscape and providers' capabilities that are aligned to the long-term technology roadmap.

Technology leaders: This study provides insights into the latest technology trends and patterns aligned with ServiceNow features, functionalities and components. Hence, it helps enterprise technology leaders in understanding the configuration and integration of ServiceNow solutions.

Engineers and architects: Engineering heads and architects responsible for ServiceNow implementations in enterprises can use this report to understand the developments in ServiceNow solutions to invest in and build intellectual property and accelerators for respective activities, cloud platforms, and industries.



The ServiceNow Implementation and Integration quadrant ranks the leading providers in this market. **Without implementation and integration services, ServiceNow software is just a concept and not a reality for clients.**

Phil Hassey

Definition

This quadrant assesses providers specialising in implementing ServiceNow. As ServiceNow's solutions do not run in isolation in most companies, knowledge of integration with different software tools is an essential differentiating factor among partners. The experience of service providers ensures that installation and integration are seamless. At the same time, they should also focus on the maintenance of the installed solution.

Eligibility Criteria

1. Use of predefined solutions, accelerators and templates
2. Experience with emerging technologies
3. Knowledge about ServiceNow usage and value in specific client scenarios
4. Speed of adoption and value realisation
5. Ability to offer maintenance support
6. Size and capabilities of local and global delivery teams
7. Experience in system, data and process integration
8. Customer satisfaction measurement

Observations

This is the first ISG IPL for the Australian ServiceNow market. As a result, there is no previous benchmark study for comparison purposes. ISG has observed that the local market has experienced substantial growth in the past few years. This growth is driven by the expansion of ServiceNow, increased need among Australian organisations to invest in a range of digital transformation solutions to enable them to navigate COVID-19 impacts and the overall push for digital transformation. The investment in the implementation and integration market is continuing, along with the demand for skills.

From the over 45 companies assessed for this study, 23 have qualified for this quadrant with nine being Leaders and one Rising Star.

Accenture's Accenture's ServiceNow integration capabilities are typically derived from its consulting capabilities. Integration is driven by automation to speed up the process and reduce errors through the implementation lifecycle.

Capgemini works with ServiceNow clients in both the private and public sectors in Australia to increase stakeholder engagement, improve technology efficiency and maturity, drive project governance, and digitise manual processes.

Deloitte's

Deloitte's ServiceNow implementation and integration solutions are developed based on customer understanding of the investment in the ServiceNow platform. It has expanded its alliance with ServiceNow to strengthen its capability to deliver integration and implementation services

Enable is the largest Australia-based provider of ServiceNow solutions. It has developed a proprietary capability, named CASE, which includes a range of components to ensure value realisation from investments in ServiceNow. It also ensures that cultural alignment is at the core of client investments in ServiceNow implementation and integration programs.

HCL has strong capabilities in a range of technology platforms such as Microsoft and SAP. This is important, especially for ServiceNow integration. For most enterprises, it is not a standalone platform, rather a part of a complex and growing portfolio.

Traction on Demand

Traction on Demand offers a broad service portfolio with compelling strategy and design capabilities, with a main emphasis on client enablement during the entire project.

The following provider has been determined to be a rising star in this quadrant and exhibits the potential to achieve leadership position in the future:

Brillio

Brillio (Rising Star) provides powerful tool support for implementing and optimizing Salesforce instances and has deep expertise in several key industries. Mobile enablement is also a key capability in Brillio's portfolio.

KPMG

KPMG focusses on ITSM to strengthen its relationship with ServiceNow. Integration and implementations services are a continuation of its consulting capabilities. The company focusses on delivering the desired business outcomes. It also provides design and organizational change capabilities.

Thirdera

Thirdera is the largest independent ServiceNow partner and has approximately 100 employees in Australia, where its implementation and integration solutions help realise value from investments and establish customer success factors.

wipro

Wipro has completed over 160 engagements for ServiceNow globally, with key logos in Australia that drive its growth in the local market. Being an elite partner, it strongly focusses on ITSM, security and integration of Governance, Risk and Compliance (GRC) solutions for clients.

AC3

AC3 (Rising Star) is based in Sydney, Australia. It has diversified into providing select clients with strong capabilities in the ServiceNow solution environment. This, is due to the knowledge gained as an initial client of ServiceNow, leading to the development of a core practice, especially in the public sector

AC3

Rising Star

"AC3 has a long history of deploying technology solutions for clients across various industries. "

Phil Hassey

Overview

AC3 was established in 1999. It is based in Sydney and now has approximately 400 employees. It 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.

Strengths

AC3 is an Elite Partner of ServiceNow. This supports the managed services and service integration and management (SIAM) platform services it provides for clients.

ServiceNow's upgrade services are a priority. One of the key value propositions for AC3's clients is the rapid enablement of upgrades of the ServiceNow platform. Simultaneously, it offers a platform and service delivery maturity assessment to ensure that the most optimised ServiceNow environment is in place.

Training of customers is an important approach for AC3. Champion Enablement is AC3's approach to training ServiceNow users to ensure that they can leverage the investments in ServiceNow to benefit their organisation. This satisfies internal client-based ServiceNow teams and realises benefits from the overall ServiceNow investments.

Caution

AC3 has a long experience in partnering with and competing against larger firms, and the ServiceNow environment is no different. It must ensure that it continues to drive strong client relationships and generate business value to remain as the provider of choice in a highly competitive environment.

Appendix

The ISG Provider Lens 2022 – ServiceNow Ecosystem Partners research 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 March 2022, 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

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 Analyst

Arjun Das is a senior research analyst at ISG and is responsible for supporting and co-authoring Provider Lens™ studies on Enterprise Service Management, ServiceNow Ecosystem, Banking Platform 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 8 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.

IPL Product Owner

Jan Erik Aase

Partner and Global Head – ISG Provider Lens/ISG Research

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.

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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APRIL, 2022

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