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Cloud Computing I Europe I 2021

ServiceNow Services in Europe 2021 – Overall Capability

SITSI® I Vendor Analysis I PAC INNOVATION RADAR

Leading Providers of ServiceNow Services in Europe

– Positioning of Accenture –

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PAC, September 2021

TABLE OF CONTENTS

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TABLE OF FIGURES

DOCUMENT INFORMATION

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RADAR by PAC

PAC INNOVATION RADAR GRAPH

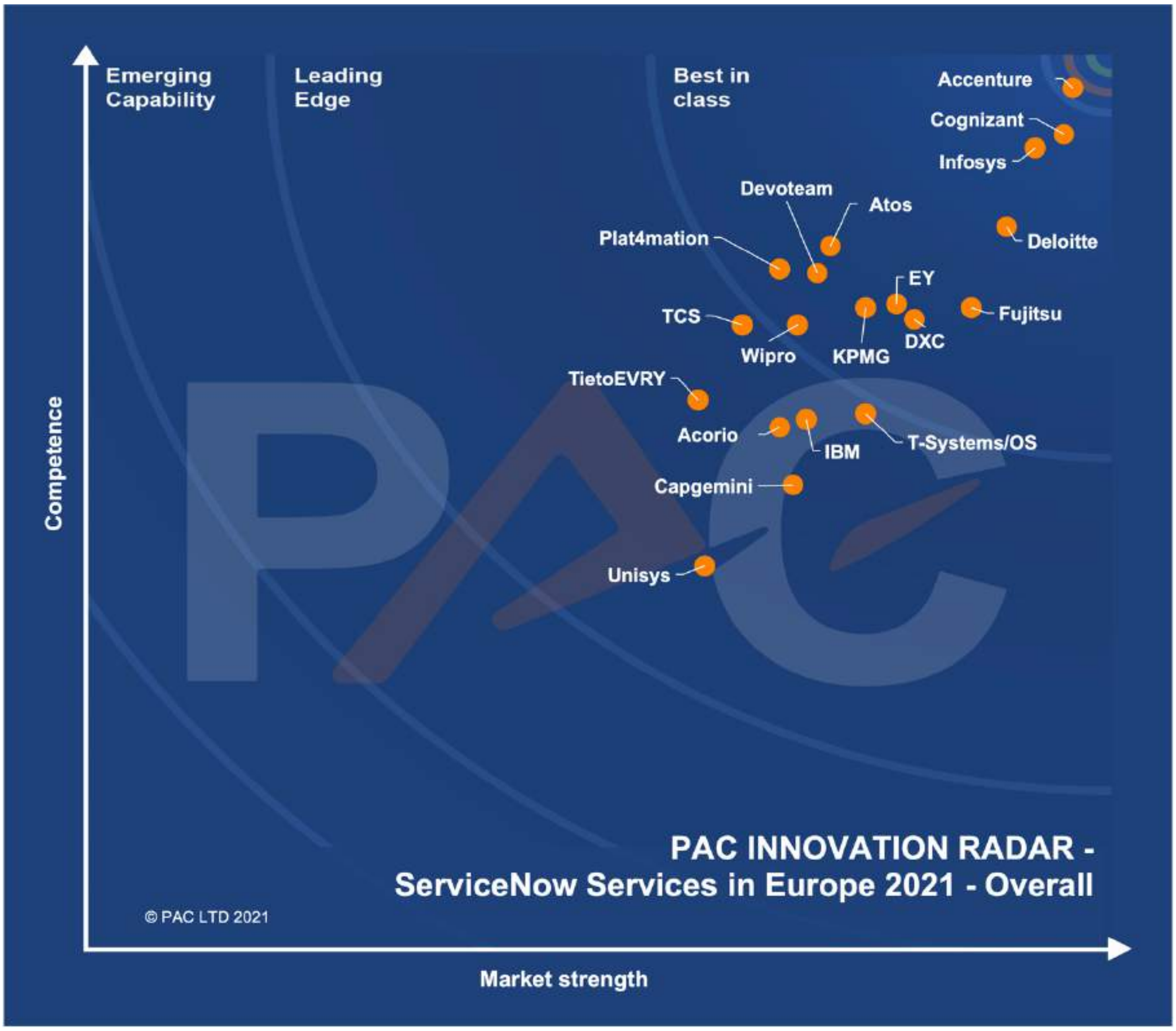

Fig. 1: PAC INNOVATION RADAR graph

INTRODUCTION

ServiceNow Services in Europe: A hyper-competitive market anticipating strong growth

The ServiceNow Services market in Europe is perhaps one of the most competitive. IT Services giants, large consultancies, and innovative boutiques make up a dynamic and diverse ecosystem catering to what seems like insatiable enterprise demand for the platform.

According to PAC's latest CXO Survey, we can expect yet greater demand for the ServiceNow platform – as enterprises look to drive digital transformation projects further than ever before following the COVID-19 pandemic.

As a result, we can expect more leading providers to ramp up investment plans as they push aggressive growth strategies – in some cases anticipating triple-digit percentage growth in revenues. Consequently, merger and acquisition activity – which is already heated – will accelerate over the next two years.

Providers are also keen to invest in building out their talent pools with training and certifications as they build out multi-year investment strategies that focus on bringing the brains and brawn needed to deliver high-value ServiceNow services. Investment plans, however, cannot distract from what remains one of the biggest challenges facing providers and enterprises alike.

Even with many providers continuing to invest considerable time and resources into building out their talent pool, the supply still falls far short of demand.

Of course, meeting growing demand for services is a strong position for providers – assuming their investment strategies pay off.

Innovation in the platform remains a considerable focus for ServiceNow as well as its partners – the platform continues to be pushed into new and exciting areas of the modern enterprise. Evolving far from its humble ITSM beginnings. This has seen the platform become a vital digital foundation for many of the world's leading businesses – a fact that enables the providers evaluated in this research to continue to benefit from a growing market, albeit one they need to continue working to add layers of value to.

This push into other areas of the enterprise has seen the playing field open up to a range of new providers. The large consultancies are enjoying strong traction in GRC and HR as they cross-sell the platform into their core client groups. Meanwhile, in line with ServiceNow's laser focus on developing vertical solutions and use cases for the platform, we're starting to see high-value custom applications and new workflows for industry challenges from the leading IT giants and boutique specialists.

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Why have we focused our research on the ServiceNow market?

The ServiceNow services market is one of the most competitive and dynamic markets in the IT Services industry. And many of the Europe's leading providers are positioned to invest considerably in building out their capability to meet rapidly growing demand.

It's important, then, for PAC as a trusted voice in this market to assess the leading and most mature providers in the market today – with a view to providing an ongoing benchmark for their capability as it evolves over the coming years. Now more than ever, enterprise buyers need support in selecting the right partner for their business.

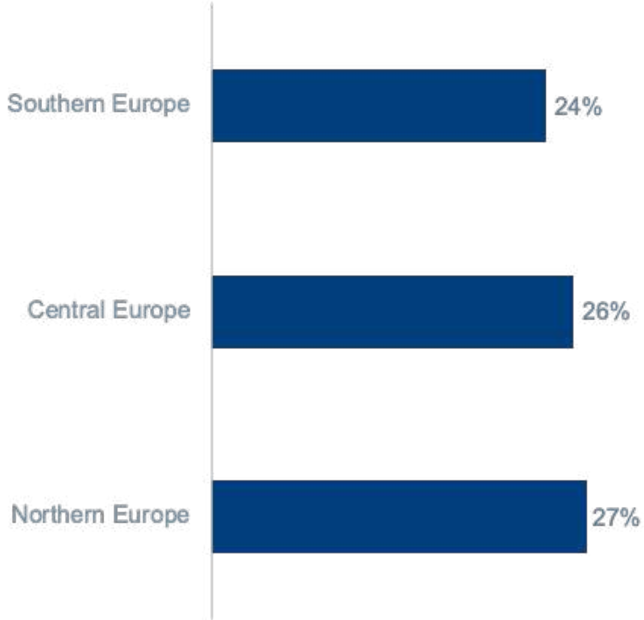

Fig. 2: Percentage of enterprises with planned investment in ServiceNow over the next two years – PAC CXO Survey, 2020

To provide this view of the market, we assessed a large number of service providers delivering ServiceNow services into the European market – selecting only the most mature. As a result, this report leans heavily towards the larger IT Services firms and the major consultancies – including some of the regional and specialist boutiques that compete directly with these firms. The assessment evaluates their overall delivery capabilities – as well as separate assessments for their workflow-specific capabilities in IT, HR, CSM, GRC, Security, and Creator workflows.

THE TRENDS IN DETAIL

Key findings from the Overall ServiceNow Services RADAR

The overall ServiceNow services market is very mature – with many of the largest incumbents boasting decade-long partnerships. In this market, developing points of clear differentiation is a challenging prospect and many of the firms profiled in this study are investing aggressively in talent, assets, and solutions to forge ahead and take a larger chunk out of the growing market. For some this investment is already paying off, as they enjoy triple percentage point growth.

The talent war drives investment

At its core, the ServiceNow services space is a talent-driven market – firms with the greatest pool of high-quality talent can deliver the best services and scale up to meet growing enterprise demand. The crux, then, is the sizeable talent war taking place in the market as enterprises and providers alike race to secure a larger talent pool.

This battle has seen leading providers ramp up their certified talent pool by as much as 300% as they push ahead with innovative and well-funded attraction, retention, and training programs. Of course, the programs vary based on the unique culture and heritage of the provider – some of the IT Services giants have a large pool of service desk talent to mine for high-potential candidates, for example. The leading consultancies are able to pull expertise and capability from other areas of the business as a force multiplier – by combining ServiceNow certified talent with GRC experts, say. Boutiques, on the other hand, are working tirelessly to push the innovation envelope in their area of specialism – attracting keen professionals eager to push the platform to its limits.

Asset development

Talent wars aside, one of the key areas of growth and development amongst the leading providers is the development of assets and solutions that add new value thresholds to the ServiceNow platform. These vary from internal accelerators to support quick implementations and efforts to reduce mean-time-to-value on client investments, to a much broader effort to build custom applications that support broader business and industry challenges. The ServiceNow store is now well-stocked with provider-developed solutions ranging from highly specific industry solutions to enhancements to existing workflows.

Verticalization is the key strategic imperative

This effort to build out new solutions is aligning with a strategic imperative from ServiceNow to pivot the platform development roadmap towards industry solutions. To do this, the firm is developing stronger partnerships with providers who have specialist offerings or significant traction in specific verticals.

However, innovation is not restricted to these core alliances – many of the firms profiled in this research are rapidly building out industry focused solutions to support their clients.

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A high potential market

All of these factors combined mean that, while the ServiceNow services market is mature, there are still significant opportunities to drive more value from the platform, particularly as ServiceNow itself continues to drive an ambitious development roadmap.

Many of the firms ranked in this study are those which have continued to push the platform into new areas of the modern enterprise, unlock new value through the development of capabilities, and successfully pull in the talent necessary to succeed in this competitive market.

The challenge will be continuing to maintain this momentum as more firms double down on investments, and the boutique ecosystem continues to evolve, bringing fresh competitors into the mix. Europe is swiftly becoming a core battleground, too, for the largest consultancies and IT Services firms – as they look for growth opportunities outside of the U.S. – this presents something of a challenge to the firms who have focused investments purely on the European market. However, regional differences across Europe continue to play a critical role in partner selection – which means much more emphasis will need to be placed on targeting specific country challenges.

In all, the ServiceNow services market continues to be an area of high potential, if not one where there are still significant challenges for providers to overcome.

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RADAR by PAC

PAC INNOVATION RADAR "SERVICENOW SERVICES IN EUROPE 2021 – OVERALL CAPABILITY"

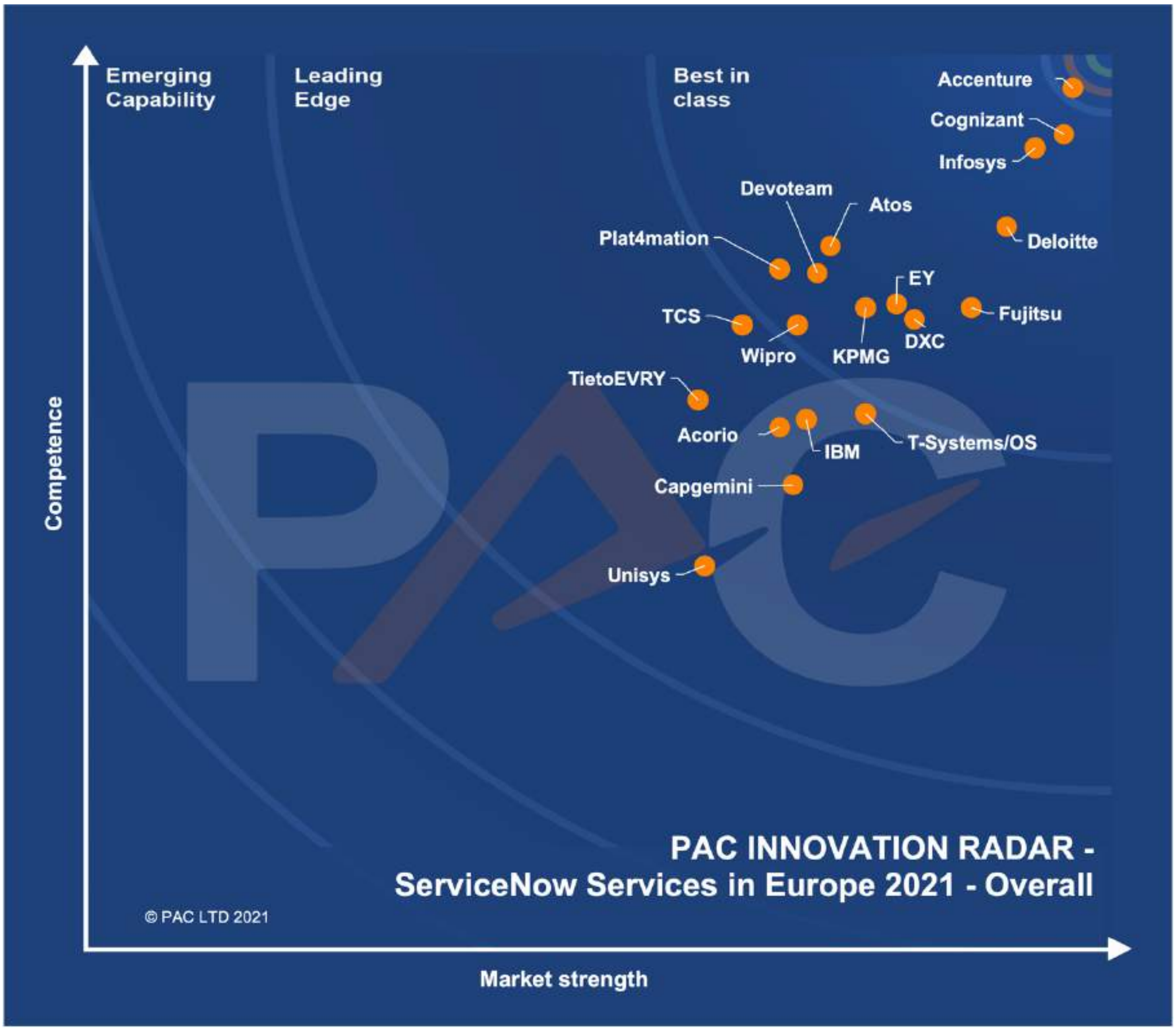

Fig. 3: PAC INNOVATION RADAR ServiceNow Services in Europe 2021 – Overall Capability

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Accenture

PAC INNOVATION RADAR – ServiceNow Services in Europe 2021 – Overall Best in Class

Cluster	Average	Accenture
Relative Market Strength	1.71	1.17
Competence	1.86	1.15
Total Score	**1.78**	**1.16**

Key Strengths

- **Strategy:** Accenture has a clear plan for the growth and evolution of its ServiceNow practice, focusing on extending the platform's value into new business areas.
- **Talent pool**: The ServiceNow services market faces one of the most challenging talent wars across the technology space. Accenture continues to invest in and develop its ServiceNow talent pool; the firm has one of the largest pools of talent and certifications in the market.
- **Marketing and thought leadership**: Accenture continues to create marketing and thought leadership campaigns that help enterprise buyers understand the value ServiceNow can play in their business.

Growth Opportunities

- **Client references:** Accenture could benefit from pushing more proof of delivery into the market to support its current case study library – helping potential clients to understand the specific business value Accenture has delivered in real-world business contexts.

RADAR by PAC

OBJECTIVE OF THE PAC RADAR

The PAC RADAR is an effective tool for the holistic evaluation and visual positioning of software and ICT service providers on local markets. Numerous ICT and business decision-makers in user companies of all industries and company sizes rely on the PAC RADAR when selecting their partners and developing their sourcing strategies.

With the help of predefined criteria, PAC evaluates and compares providers' strategies, development, and market position in addition to performance and competencies within specific market segments.

Each PAC INNOVATION RADAR focuses on a certain IT services segment. Up to 30 leading providers are evaluated per segment. Participation in the PAC INNOVATION RADAR is free of charge.

All providers are evaluated using PAC's proven methodology, which is based on personal face-to-face interviews.

PAC reserves to also evaluate and position those providers in the PAC INNOVATION RADAR that do not participate in the self-disclosure process.

After the evaluation of the predefined criteria, each supplier's position is plotted in the PAC INNOVATION RADAR.

The criteria are classified by clusters and can all be attributed to the "Competence" and "Market Strength" main clusters. Within the PAC INNOVATION RADAR the following applies: The closer a company is to the center, the closer they are to meeting customers' requirements.

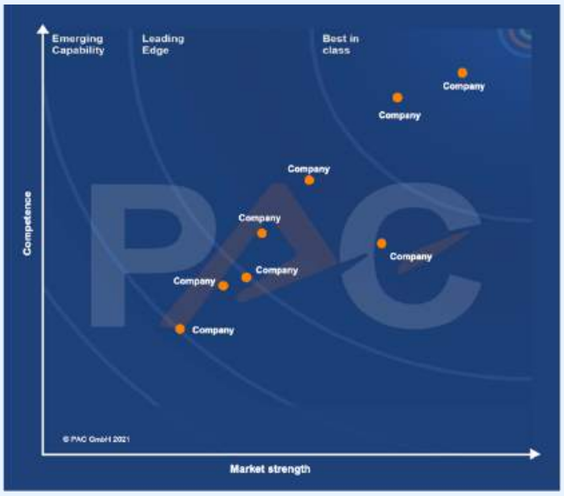

Fig. 4: PAC INNOVATION RADAR graph (exemplary presentation)

PAC RADAR EVALUATION METHOD

Provider selection & participation

Which providers are positioned in the PAC INNOVATION RADAR?

Providers are selected and invited according to the following criteria:

- Positioning and business activities in the segment to be analyzed in the specified region;
- “Relevance”: Even providers that do not belong to the top-selling providers in the segment to be analyzed are considered if PAC classifies them as relevant for potential customers, for instance due to an innovative offering, strong growth, or a compelling vision.

There is no differentiation as to whether the providers are customers of PAC – neither in the selection of the providers to be positioned, nor in the actual evaluation.

What do providers have to do in order to be considered in a PAC INNOVATION RADAR analysis?

The decision as to which providers are considered in the PAC INNOVATION RADAR analysis is entirely up to PAC. Providers do not have any direct influence on this decision.

However, in the run-up to a PAC INNOVATION RADAR analysis, providers can make sure in an indirect way that PAC can adequately evaluate their offerings and positioning – and thus their relevance – e.g. by means of regular analyst briefings, etc.

Why should providers accept the invitation to actively participate?

Whether or not a provider participates in the RADAR process does not actually affect their inclusion and positioning in the PAC INNOVATION RADAR, nor their assessment. However, there are a whole host of benefits associated with active participation:

- Participation ensures that PAC has access to the largest possible range of specific and up-to-date data as a basis for the assessment;
- Participating providers can set out their specific competencies, strengths, and weaknesses as well as their strategies and visions;
- The review process guarantees the accuracy of the assessed factors;
- The provider gets a neutral, comprehensive, and detailed view of their strengths and weaknesses as compared to the direct competition – related to a specific service in a local market;
- A positioning in the PAC INNOVATION RADAR gives the provider prominence amongst a broad readership as one of the leading operators in the segment under consideration

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RADAR by PAC

Considered providers by segment

Overall ServiceNow Services	IT Workflows	HR Workflows	GRC Workflows
Accenture	Accenture	Accenture	Accenture
Acorio	Acorio	Acorio	Acorio
Atos	Atos	Atos	Atos
Capgemini	Capgemini	Capgemini	Capgemini
Cognizant	Cognizant	Cognizant	Cognizant
Deloitte	Deloitte	Deloitte	Deloitte
Devoteam	Devoteam	Devoteam	Devoteam
DXC	DXC	DXC	DXC
EY	EY	EY	EY
Fujitsu	Fujitsu	Fujitsu	Fujitsu
IBM	IBM	IBM	IBM
Infosys	Infosys	Infosys	Infosys
KPMG	KPMG	KPMG	KPMG
Plat4mation	Plat4mation	Plat4mation	Plat4mation
TCS	TCS	TCS	TCS
TietoEVRY	TietoEVRY	TietoEVRY	T-Systems
T-Systems	T-Systems	T-Systems	Wipro
Unisys	Unisys	Wipro	
Wipro	Wipro		

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CSM Workflows	Security Workflows	Creator Workflows
Accenture	Accenture	Accenture
Acorio	Acorio	Acorio
Atos	Atos	Atos
Capgemini	Capgemini	Capgemini
Cognizant	Cognizant	Cognizant
Deloitte	Deloitte	Deloitte
Devoteam	Devoteam	Devoteam
DXC	DXC	DXC
EY	EY	EY
Fujitsu	Fujitsu	Fujitsu
IBM	IBM	IBM
Infosys	Infosys	Infosys
KPMG	KPMG	KPMG
Plat4mation	Plat4mation	Plat4mation
TCS	TCS	TCS
TietoEVRY	T-Systems	TietoEVRY
T-Systems	Wipro	T-Systems
Unisys		Unisys
Wipro		Wipro

The concept

Evaluation of criteria at cluster and subcluster levels

Main Cluster	**Competence**			**Market strength**	
Cluster	**Strategy**	**Portfolio**	**Go-to-market**	**Market position**	**Market growth**

Fig. 5: PAC INNOVATION RADAR – evaluation method

PAC uses **predefined criteria** to assess and compare the providers within given service segments.

The assessment is based on the report-card score within the peer group of the positioned providers.

This is based on:

- Dedicated face-to-face interviews with the providers about resources, distribution, delivery, portfolio, contract drafting, pricing, customer structure, client references, investments, partnerships, certifications, etc.;
- The analysis of existing PAC databases;
- Secondary research;
- If applicable, a poll among customers by PAC.

The provider data is verified by PAC and any omissions are rectified based on estimates.

If the provider does not participate, the assessment is performed using the proven PAC methodology, in particular based on:

- Information obtained from face-to-face interviews with the provider's representatives, analyst briefings, etc.;
- An assessment of company presentations, company reports, etc.;
- An assessment of PAC databases;
- An assessment of earlier PAC (INNOVATION) RADARs in which the provider participated;
- A poll among the provider's customers (as required) on their experiences and satisfaction.

Evaluation criteria

The **general evaluation** is based on the following criteria:

Competence	Market Strength
• Strength of ServiceNow strategy • Investment in ServiceNow talent (incl. training, certifications, M&As, hiring, etc.) • Investment in assets (IP, tools, solutions, methods, M&As, etc.) • Overall expertise in business and IT transformation • Overall talent pool breadth and depth • Certified ServiceNow talent • Availability of proprietary solutions and technologies • Strength of ServiceNow partnership • Dedicated organizational structures for ServiceNow services	• Ability to evolve ServiceNow projects outside of IT • Investment in marketing and thought leadership • Breadth and depth of use case library • Market awareness relative to peers • International delivery capability • Availability of local ServiceNow talent in Europe • Breadth and depth of case study library • Customer satisfaction scoring • Client references

General PAC research method

The following overview describes PAC's research method for market analysis and key differentiation features.

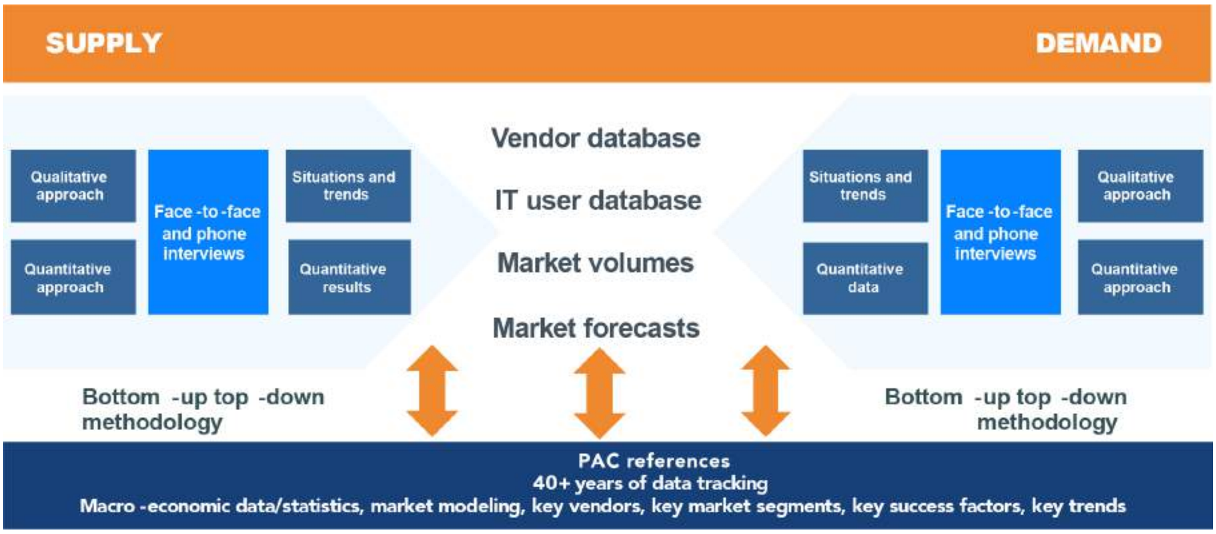

Fig. 6: Description of the PAC methodology

Local research and face-to-face communication are two core elements of PAC's methodology. In our market studies, we can draw on more than 40 years of experience in Europe.

Positioning within the PAC INNOVATION RADAR

Based on the scores in competence and market strength, the overall score is calculated (calculation: competence score plus market strength score, divided by two). From the resulting overall score, each provider receives their characteristic positioning within the PAC INNOVATION RADAR. Here, the following applies: The closer a provider is to the upper right corner, the closer they are to meeting customers' requirements for that segment.

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The classification of providers is based on the overall score:

"Best in Class"	1.0 – 1.9
"Leading Edge"	2.0 – 2.9
"Emerging Capability"	3.0 – 3.9
"Solid"	4.0 – 4.9

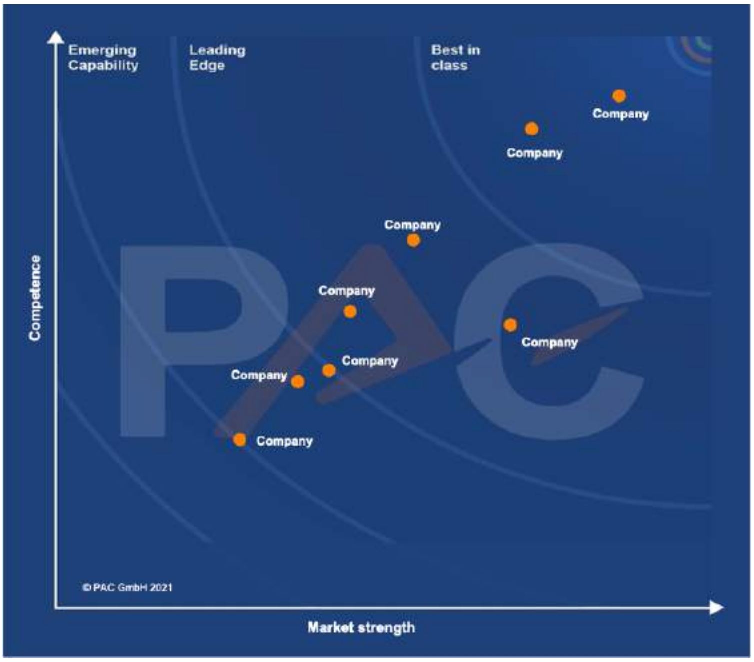

Fig. 7: Classification of providers in the PAC INNOVATION RADAR graph (example)

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We are a content-based company with strong consulting DNA. We are the preferred partner for European user companies to define IT strategy, govern teams and projects, and de-risk technology choices that drive successful business transformation.

We have a second-to-none understanding of market trends and IT users' expectations. We help software vendors and IT services companies better shape, execute and promote their own strategy in coherence with market needs and in anticipation of tomorrow's expectations.

Capitalizing on more than 40 years of experience, we are active worldwide with a network of 50 experts.

For more information, please visit www.teknowlogy.com and follow us on Twitter or LinkedIn.

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