HFS Horizons Report

ServiceNow Services, 2023

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Excerpt for EY

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ServiceNow continues to permeate the enterprise fabric. We see vertical transformations where specific ServiceNow modules and capabilities are not being called out anymore, and the focus is exclusively on the outcome. Equally, we see ServiceNow moving into cloud operations, ERP modernizations, and BPO engagements. While there is a significant maturation across the ecosystem, a holistic data model and cross-functional workflows remain aspirational for most organizations.

Tom Reuner, Executive Research Leader, HFS

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1 Introduction and the HFS value chain

Introduction

- There is a rapid capability evolution and enthusiastic delivery of experience-led outcomes across the dynamic ServiceNow ecosystem. Yet, the broader market has not yet recognized that almost half of ServiceNow's new revenues come from outside IT. ServiceNow is pushing ever deeper into vertical buildouts, progressing across global business services (GBS) functions, and finding traction in business process outsourcing (BPO). Thus, there is a strong alignment with HFS' Autonomous Enterprise framework. However, only a few organizations fully embrace ServiceNow's holistic data model, and workflows remain confined to functional boundaries. For many, this remains the North Star.
- The HFS ServiceNow Services Horizons study focuses on facilitating large-scale transformation and innovation, not just software implementation and IT-centric use cases. Key aspects are transformational outcomes, industry-specific solutions, and innovative use cases.
- The report examines the capabilities of 21 service providers and pure-play consultancies offering differentiated approaches to meeting clients' transformation needs. This research assesses how well service providers help clients envision and deliver transformation outcomes.
- We assessed and rated the transformation capabilities of these service providers across a defined series of value propositions, innovation capabilities, go-to-market strategy, and market impact.
- This report also includes detailed profiles of each service provider, outlining their placement, provider facts, and detailed strengths and opportunities.

Executive summary

1	**The leaders**	We assessed 21 service providers across value proposition, innovation capabilities, go-to-market strategy, and market impact criteria. In alphabetical order, the leaders in Horizon 3 are Accenture, Deloitte, DXC, EY, Infosys, and KPMG. These leaders’ shared characteristics include blending a compelling vision of digital transformation with deep ServiceNow capabilities. The wheat gets separated from the chaff when providers demonstrate transformation outcomes enabled by ServiceNow rather than depicting ServiceNow roadmap thinking. The leaders are pushing the envelope on transformation with new themes such as ERP (enterprise resource planning) modernization, cloud operations, and ESG (environmental, social, governance).
2	**Broadening the transformation scope**	Leading providers like Accenture are de-emphasizing specific ServiceNow building blocks and capabilities. They shift the focus to depicting transformational journeys and outcomes. While we see new themes such as cloud operations and BPO (business process outsourcing), the broadest transformational scope is in GBS (global business services) and ERP modernization engagements. Yet, not all GBS clients are taking workflows cross-domain. For many, the data model underpinning the Configuration Management Database (CMDB) remains a significant challenge. What is intriguing about ERP modernization is that we see that ServiceNow erodes ERP capabilities. It is not supplanting ERP, though. ServiceNow’s acquisition of Gekkobrain helps clients with migrating customizations.
3	**Pushing the industry boundaries**	Industry solutions are the next frontier for ServiceNow’s corporate development, launched in 2020 with a focus on telco and financial services. There is a distinct maturation around those solutions, with the public sector, health, retail, and manufacturing being the next expansions. Many providers describe industry solutions as the “last mile,” as 80% of engagements are built on horizontal ServiceNow capabilities and roughly 20% on industry-specific solutions. However, defining industry solutions is not easy. A continuum of approaches ranges from deep solutions by design partners such as Accenture for telco, Deloitte for FS, and Plat4mation for manufacturing to lighter service wrappers often sold via the NOW store.
4	**Compelling outcomes**	What separates the providers in this Horizons study from the broader market is their ability to both provide advisory services and drive transformational outcomes. We have seen many examples of COVID-related engagement where speed and digital processes were essential. A new theme is AMS and ERP modernization with an enormous complexity across the supply chain, including new ecosystems with Celonis, AppDynamics, and Dynatrace. End-to-end GBS transformations where clients take workflows cross-domain and cross-function remain the tip of the iceberg and the North Star for many.
5	**Pure-plays are scaling up**	While the war on talent continues to rage on, it is no longer a one-way street where the leading GSIs are acquiring pure-plays to boost their benches. Leading pure-plays like Cask, GlideFast, NewRocket, Plat4mation, and Thirdera are acquiring, too, and some are expanding internationally. Those leading pure-plays are no longer mere implementation partners; they are at the forefront of transformational projects. Examples of those transformational engagements are industry solutions; for example, Cask in the public sector, Plat4mation in manufacturing, and Thirdera in telco. Plat4mation and Thirdera lead in building out global organizations.

The HFS ServiceNow services value chain, 2023

The focus of the HFS ServiceNow Services Horizons study is on transformation and innovation—not just implementation and IT-centric use cases. Key aspects are transformational outcomes, industry-specific solutions, and innovative use cases.

Envisage

- Discovery sessions
- Design thinking
- Enterprise architecture strategy
- Business-case development
- Compliance and risk assessment
- Security implications
- HR and talent management strategy
- IT service management roadmap
- Enterprise service management advisory
- Data strategy
- Platform functional and strategy audit
- Governance policy
- Rollout strategy
- Roles and responsibilities
- Usability and accessibility
- Value realization framework

Implement

- Project management
- Data consulting and management
- Data migration and integration
- Setting up the ServiceNow platform suite (ITSM, ITOM, ITBM, ESM, CSM, SecOps, etc.)
- Service catalog management
- Process automation and customization
- Solution and technical design
- Enterprise systems integration
- Leverage repository of pre-built components and utilities
- Custom application development
- Organizational change management
- Production readiness review
- Onboarding

Manage

- Ops-as-a-service delivery model
- Platform engineering
- Platform and data governance
- Managed data
- Upgrade support
- ServiceNow helpdesk
- Ongoing integration
- Support and maintenance
- Service level management
- Administration outsourcing
- Testing and QA
- New release and upgrade coordination
- Training and certification
- Acceptance testing
- Quality assurance

Operate

- Helpdesk management
- Service desk management
- MSI/SIAM
- IT service continuity management
- Availability management
- Capacity management
- Financial management
- Identify changes in service delivery to support changing business requirements (e.g., M&A and new IT)
- Module value identification and benefit analysis
- Ongoing ServiceNow module adds, upgrades, migrations, and consolidation
- Best practice understanding
- User community participation
- Mandatory regulatory adjustment
- Performance management

Innovate

- Drive ServiceNow beyond ticketing and requesting mindset
- Digital twin simulation
- New ServiceNow feature integration of relevant ecosystem technologies and data
- Industry-specific ecosystems
- Operational resilience
- License optimization
- Agile funding and funding methods
- Sustainability and net zero agenda
- Business assurance

The HFS ServiceNow services value chain explained

HFS developed the ServiceNow value chain concept to graphically depict our understanding of the ServiceNow ecosystem and of transformative services. The key strategic levers for the broader ServiceNow ecosystem include the following:

- **Envisaging transformation outcomes:** How do you help organizations envisage the transformation outcomes that the ServiceNow platform is meant to enable? This is much broader than just technology consulting.
- **Driving the ServiceNow platform beyond IT:** Almost half of ServiceNow's new revenues are outside IT. Therefore, how are you driving the platform in use cases such as CSM, ESM, and beyond?
- **Cross-domain and function expansion:** The journey with ServiceNow has many starting points. Its holistic data model can drive workflows across domains and even across functions, yet many deployments remain siloed. GBS is a compelling example of taking the platform across siloes. With that in mind, how are deployments progressing toward a OneOffice mindset?
- **Delivering transformation**: How do you assure the transformation outcome? How are you leveraging ServiceNow to drive organizational change? Industry-led solutions and GBS are the most important reference points in that regard. How are you progressing with emerging transformation topics such as operational resilience and ESG?

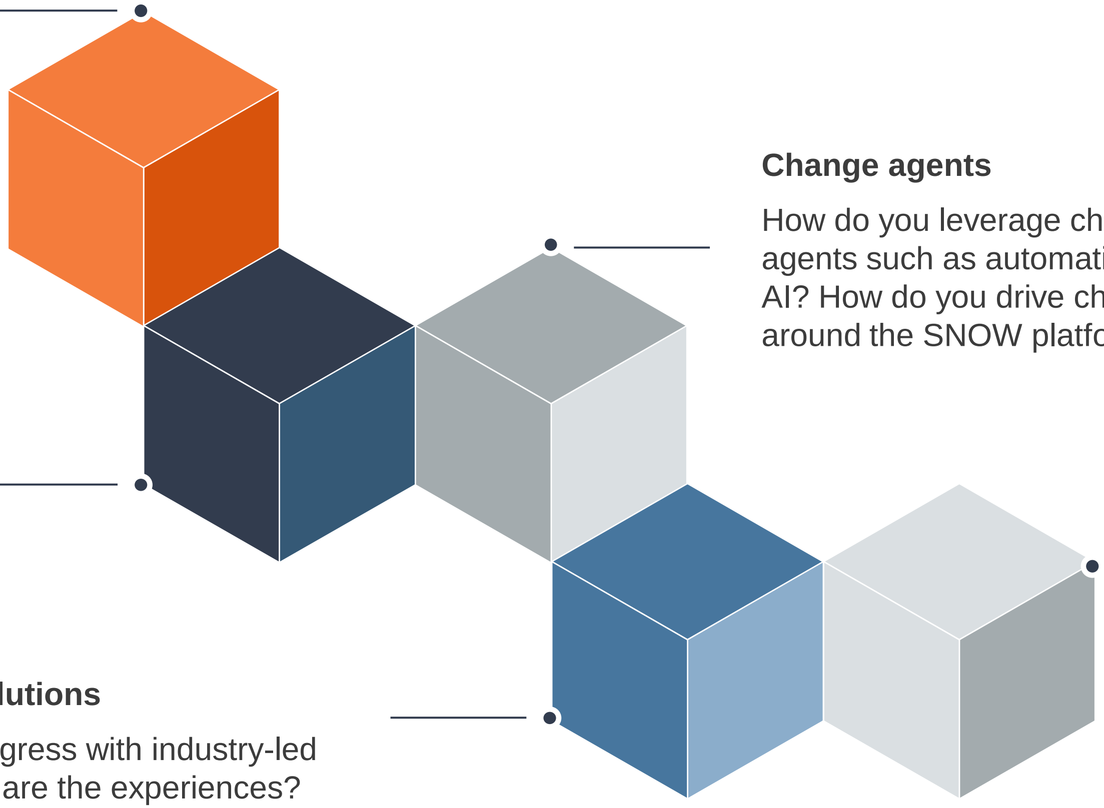
What is the focus of the ServiceNow Services Horizons study?

Transformations, not implementations

How do you help organizations capture value by transforming operations? Implementations are implicit, yet the focus is on transformation.

Change agents

How do you leverage change agents such as automation and AI? How do you drive change around the SNOW platform?



Transformation outcomes

What are innovative transformation outcomes beyond ITSM? Mostly business centric, but they can include innovation in IT use cases, with GBS the tip of the iceberg.

Beyond a ticket–request mindset

How do you expand the mindset beyond a ticket or request? How do you align SNOW with broader ecosystem initiatives?

Industry-led solutions

What is your progress with industry-led solutions? What are the experiences? What is on your roadmap?

2 Research methodology

Service providers covered in this report

Note: All service providers are listed alphabetically

Sources of data

This report relied on myriad data sources to support our methodology and help HFS obtain a well-rounded perspective on the ServiceNow capabilities of the providers covered in our study. Sources are as follows:

RFIs and briefings

Each participating vendor completed a detailed **RFI**.

HFS conducted **briefings** with executives from each vendor.

Reference checks

We conducted reference checks with **37 active clients** of the study participants via phone-based interviews and detailed surveys.

HFS vendor ratings

Each year, HFS fields multiple demand-side surveys in which we include detailed vendor rating questions. For this study, we leveraged our fresh from the field HFS Pulse Study data featuring **~800 inputs into adoption of cloud**

Other data sources

Public information such as press releases and websites.

Ongoing interactions, briefings, virtual events, etc., with in-scope vendors and their clients and partners.

Horizons assessment methodology—ServiceNow Services

HFS Horizons Report: ServiceNow Services, 2023 evaluates service providers' capabilities across a range of dimensions to understand the **Why, What, How, and So What** of their ServiceNow offerings. Our assessment will be based on inputs from clients, partners, and employees and augmented with analyst perspectives. The following illustrates how we will assess your capabilities:

Distinguishing supplier characteristics

Assessment dimension	Description	Horizon 1 service providers	Horizon 2 service providers	Horizon 3 service providers
Value proposition: The Why? **(25%)**	Strategy and roadmap Clarity of vision for ServiceNow services and nature of outcomes Differentiators—Why clients work with you	• Ability to drive **functional optimization outcomes** with selective ServiceNow capabilities	• Horizon 1 + • Ability to drive real **business, experience-led outcomes and stakeholder experiences** while achieving enterprise-wide transformations	• Horizon 2 + • Ability to drive **ecosystem synergy** via collaboration across multiple organizations with common objectives around driving completely **new sources of value**
Execution and innovation capabilities: The What? **(25%)**	Breadth and depth of services across the ServiceNow value chain Strength of talent pool Innovative solutions (industry-specific, ESG, etc.)	• Strong **implementation capabilities** • Deep engineering capabilities driving speed and efficiency • Offshore-focused with strong technical skills	• Horizon 1+ • Ability to support clients on their end-to-end ServiceNow transformation journey • Global capabilities with strong consulting and domain expertise across the complete ServiceNow portfolio	• Horizon 2 + • Strategy and execution capabilities at scale • **Leveraging ServiceNow's holistic data model** across domains and functions such as GBS
Go-to-market strategy: The How? **(25%)**	What transformation outcomes are you pitching to clients? Nature of investments in your ServiceNow business (M&A, training, R&D) Co-innovation and collaboration approaches with customers and partners including creative commercial models Assuring outcomes	• Robust fundamentals of ServiceNow transformation • Technology and capability focus	• Horizon 1+ • Proven and leading-edge **proprietary assets including industry-led solutions** • Clear **articulation of the transformation outcomes** enabled by ServiceNow • Capability to deliver end-to-end transformation with ongoing multi-year managed services	• Horizon 2 + • **Driving co-creation with clients** and ecosystem partner • Effectively **envisioning of outcomes** and providing business assurance for ServiceNow transformation
Market impact: The So What? **(25%)**	Scale and growth of ServiceNow business—revenue, clients, and headcount Proven outcomes showcasing transformation through ServiceNow Voice of the customer	• Referenceable and satisfied clients for ability to execute technology transformation	• Horizon 1+ • Referenceable and satisfied clients for ability to drive business transformation	• Horizon 2 + • Referenceable and satisfied clients driving new business models based on the partnership

3 Demographics and market dynamics

Emerging themes and dynamics in the ServiceNow ecosystem

servicenow

01 *Rise Up*, training and upskilling program for ServiceNow and the ecosystem

02 Industrialization as platform expansion, also addressing talent shortage (automation, AIOPs, observability)

03 Hardening of the cloud operation model

04 Enabling GBS journeys. Accelerating maturity and cross-domain workflows, crossover of Enterprise Asset Management

05 Enabling ERP modernization, leveraging Celonis and AIOps

06 New industry-led solutions: healthcare, retail, public sector

07 Becoming embedded in BPO engagements

State of the ServiceNow ecosystem (page 1 of 3)

Alignment with HFS' autonomous enterprise framework

The evolution of the ServiceNow ecosystem aligns closely with the principles of HFS' Autonomous Enterprise framework. The CMDB is the centerpiece providing the data needed across processes and interactions. An autonomous enterprise allows humans to remove themselves from some parts of the system so that we can make continuous improvements to the ecosystem as a whole. Scalable automation and AI are the enhancements for making the most effective decisions.

Maturation across the ecosystem

The pace of change and maturation across the ServiceNow ecosystem is astounding. Reference points are the build-out and expansion of industry-led solutions and GBS engagements. New opportunities around ERP modernization and BPO are emerging. Yet, the broader market has not woken up to the fact that almost half of ServiceNow's new revenues are outside IT workflows.

Continuous innovation of the Now Platform

Key new release highlights include that Enterprise Asset Management will also support GBS engagements; Observability & Incident Management following the Lightstep acquisition; and insurance industry products and public sector digital services supporting the build-out of industry-led solutions.

Organizations need a new (IT) operating model

ServiceNow is no longer a capability discussion. Yet, there is a lack of clarity on what the new IT operating model entails. There is agreement on the experience outcomes enabled by workflows designed in the cloud. The more organizations accelerate transformation initiatives, the more service providers need guidance on designing a cloud target operating model.

ServiceNow's ambition has few limits

ServiceNow's management, particularly its sales teams, continues to make the market. The tip of the iceberg of those efforts is talking up the addressable market by emphasizing that ServiceNow could become the platform of platforms, with automation and low-code/no-code becoming critical levers for operational transformation. The scale of these ambitions can also be seen with pitching to banks on reference architecture level about ServiceNow.

State of the ServiceNow ecosystem (page 2 of 3)

CMDB is about cultural change

The CMBD is the foundation of the IT organization, yet many organizations struggle to effectively build it out. Transformation cuts in here: having quality data in the CMDB is not a technical or capability but an organizational issue. The CMDB is critical for progressing toward a product-centric mindset. Organizations have to drive change management to ensure governance, ownership, and lifecycle processes are in place.

Cross-functional workflows remain largely aspirational

We see shifts toward cross-functional workflows around ITOM, ITAM, and DevSecOps. However, most organizations deploy ServiceNow siloed with a view of incremental transformation set up to continuously transform. With increasing maturity, organizations might leverage the holistic data model by moving across domains and, ultimately, across functions over time. However, industry-led solutions are a lever for cross-domain and functional workflows. Thus, the main dynamic is horizontal, but increasing uptake of industry-led solutions will provide a second vector. We hear from CIOs that discussions are changing, and they want to know where the platform can take them instead of being confined to IT-centric workflows.

ServiceNow moves into application services delivery

Service providers leverage ADM methodologies and mesh them with ServiceNow capabilities. Some providers suggest opportunities in ERP modernization are literally exploding. Within that context, we see new ecosystems with SAP, Celonis, Dynatrace, and AppDynamics as change agents around AIOps and observability.

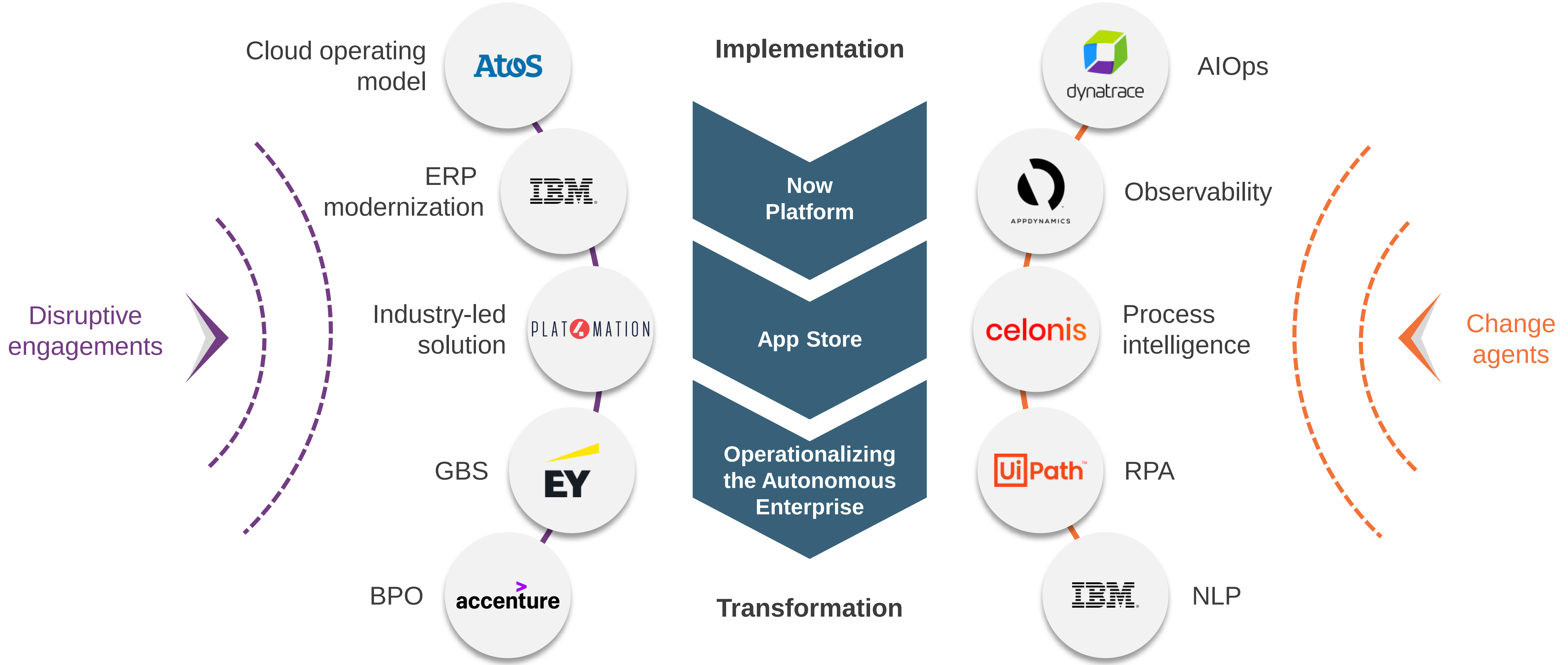
Efficiency motion with automation and observability

With the current macroeconomic headwinds, organizations focus on efficiency and bottom-line impact more than innovation. ServiceNow has released a swathe of automation and AI capabilities, such as Automation Engine, Automation Discovery and Predictive AIOps. With the Utah release, we will see ServiceGraph connectors for cloud, DevOps, and observability tools. However, there is a disconnect between the aspirations ServiceNow CEO Bill McDermott conveys to Wall Street and the comparatively conservative management of releasing new capabilities. By disconnect we mean the difference between the articulated aspirations for new target segments and the careful management of releases with new, innovative capabilities. An example is the build-out of automation discovery in the Tokyo release which has initially only a few use cases.

State of the ServiceNow ecosystem (page 3 of 3)

Macro headwinds accelerate the uptake of managed services	There has been a notable shift toward managed service engagements with productivity and capacity commitments. This goes far beyond just basic support and helpdesk for implementations.
Transformation through industry-led solutions	Leaders like Accenture aren't talking around ServiceNow modules anymore; rather, the focus is on deep engineering and transformation. There are new build-outs in healthcare, retail, and the public sector. However, we need more clarity as to what an industry-led solution really is. Currently, most capabilities are solution wrappers. Anything on the Now App Store is likely to be an industry-led solution.
Move into BPO	Accenture continues to push the envelope on innovation by embedding ServiceNow into BPO engagements. This goes far beyond having ServiceNow integrated into delivery platforms like SynOps. To some degree, it is the logical evolution of the GBS scenarios we have seen. Often, ServiceNow is used to integrate into a customer's existing technology stack.
War on talent	The talent war rages on unabated. We have seen M&A activity, including Accenture–Solvera Solutions, EY–Sumo IT Solutions and Red Moki, Fujitsu–Enable Technology, and Thirdera–SilverStorm. We've also seen the poaching of whole architect teams. Master and technology architects are a rare commodity. The leading providers are strongly beefing up their internal training efforts.
Rise Up	ServiceNow has responded to the war on talent by launching Rise Up, a largely free training program encompassing online courses, community mentorship, and coaching. The training program is complemented by a partner placement program for talent certified through those courses. *Rise Up* is great for technology and capabilities, but it is a finite pool of resources for transformation. We frequently see Master and Technology Architects being poached. In extreme instances, whole architectural teams have been poached.
Pure-plays are scaling up	The leading pure-plays, such as Thirdera, Cask, NewRocket, and Plat4mation, are scaling up and have surpassed the revenues and capabilities of many GSIs. They drive scaled transformations and build out industry-led solutions. They are strong provider choices just outside Horizon 3.

Navigating the ServiceNow transformation landscape



Note: Providers are representative, not indicative for ranking, etc.

Non-IT workflows are firmly established, yet the broader market doesn't recognize it

- ServiceNow's product mix is steadily progressing beyond its heritage in ITSM. The ServiceNow capabilities infographic on slide 20 highlights its expansive capabilities beyond IT Workflows—particularly customer and employee workflows. The App Engine provides low-code/no-code capabilities to design workflows. The mix also includes emerging industry-led solutions such as Financial Services Operations and Telecom Service Management.
- Customer and Employee Workflows already account for a quarter of ServiceNow's business. Exhibit 1 provides net new ACV contribution (i.e., new business) as a reference point.
- Similarly, revenues from the Now Platform (e.g., Creator Workflows) and the low code/no code App Engine are increasing, largely in line with the overall growth rates.
- On average, of the companies evaluated, 39% earn their revenues from services that are not IT workflows. In comparison, ServiceNow's new ACV in Q4 2020 is 41%. Exhibit 2 outlines the percentage of revenues from non-IT workflows of the providers we evaluated.
- The trends described are further underpinned by acquisitions such as Lightstep (AIOps 2021), Swarm64 and Mapwize (2021), Gekkobrain (2021), and Hitch (2022).

Exhibit 1: ServiceNow net-new ACV contribution across workflows and products

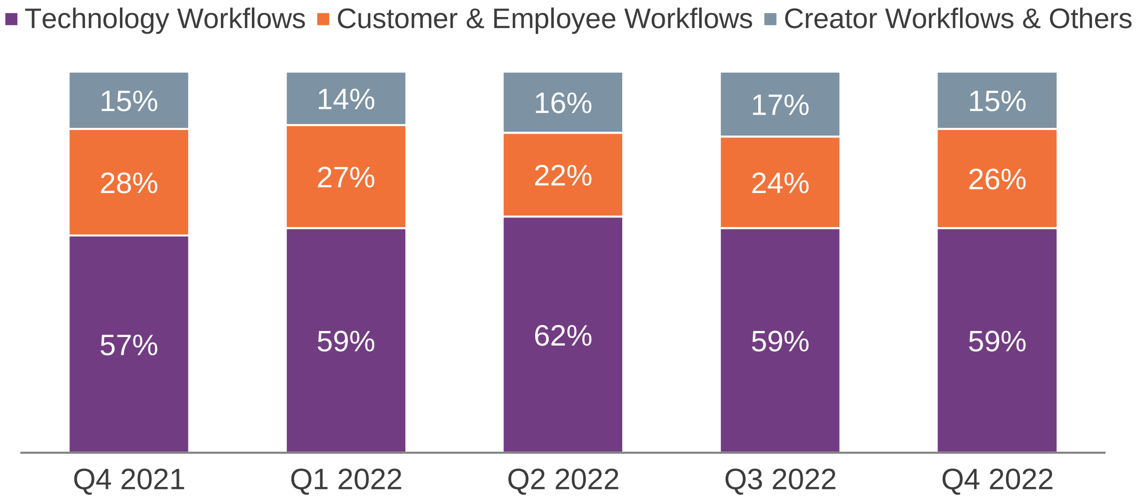
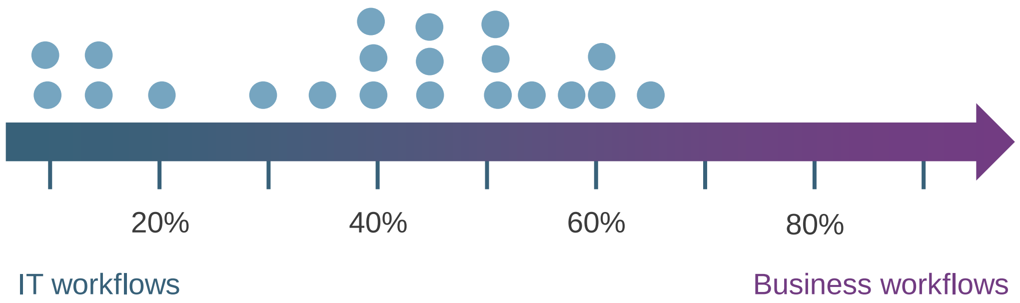


Exhibit 2: Percentage of non-IT workflows of the companies evaluated:



Source: ServiceNow Q4 2022 earnings presentation, HFS Research 2023

ServiceNow's ever expanding capability map

Platform interfaces

Conversational | Mobile | Service Portal | Workspaces | Web Services (API) | Notifications

IT Workflows

IT Service Mgmt.
- Change Mgmt.
- Incident Mgmt.
- Problem Mgmt.
- Request Mgmt.

IT Operation Mgmt.
- Agent Client Collector
- Cloud Insights
- Cloud Provisioning & Governance
- Discovery
- Event Mgmt.
- Log Analytics*
- Service Mapping

IT Asset Mgmt.
- Cloud Spend Dashboard
- Hardware Asset Mgmt.
- SaaS License Mgmt.
- Software Asset Mgmt.
- Software Spend Detection

IT Business Mgmt.
- Application Portfolio Mgmt.
- Demand Mgmt.
- Innovation Mgmt.
- Investment Funding
- Project & Portfolio Mgmt.
- Release Mgmt.
- Resource Mgmt.
- Scrum & Scaled Agile Framework
- Timecards

DevOps
- DevOps Change Automation
- DevOps Insights & Analytics
- Continuous Compliance
- Value Stream Mgmt.

Security Operations
- Configuration Compliance
- Security Incident Response
- Threat Intelligence
- Vulnerability Response
- Vulnerability Solution Mgmt.

Integrated Risk Mgmt. *
- Audit Mgmt.
- Business Continuity Mgmt.
- Business Continuity Mgmt.
- Policy and Compliance Mgmt.
- Risk Mgmt.
- Vendor Risk Mgmt.

* Log Analytics is part of Loom Systems.

Employee Workflows

HR Service Delivery
- Employee Document Mgmt.
- Employee Service Center
- Enterprise Onboarding & Transitions
- HR Case Mgmt.
- Application Portfolio Mgmt.

Safe Workplace
- Contact Tracing
- Employee Health Screening
- Employee Travel Safety
- Safe Workplace Dashboard
- Workplace PPE Inventory Mgmt.
- Workplace Safety Mgmt.

Workplace Service Delivery
- Workplace Case Mgmt.
- Workplace Reservation

Customer Workflows

Customer Service Mgmt.
- Communities
- Customer Case Mgmt.
- Customer Data Mgmt.
- Industry Data Model
- Industry Data Model
- Omni-channel
- Proactive Customer Service Operations

Field Service Mgmt.
- Cost Mgmt.
- Dynamic Scheduling and Dispatch
- Field Service Contractor Mgmt.
- Inventory Mgmt.
- Planned Maintenance

Creator Workflows

App Engine
- Action Designer
- Delegated Development
- Guided App Creator
- Mobile Studio
- Studio
- Team Development

Integration Hub
- Integration Steps
- Pre-built Spokes

Industry Solutions: Financial Services Operations, Telecom Network Performance Mgmt., Telecom Service Mgmt.

Now Platform

Workflows and integrations
- Embedded Integrations
- Flow Designer
- Major Incident/ Issue Mgmt.
- Process Automation Designer

Machine Learning, AI, and Analytics
- Continual Improvement Mgmt.
- Natural Language Processing
- Performance Analysis
- Predictive Intelligence
- Reporting

User Experience and Feedback
- Advanced Work Assignment
- Dynamic Translation
- Playbook Experience
- Surveys and Assessments
- Walk-up Experience
- Visual Task Boards

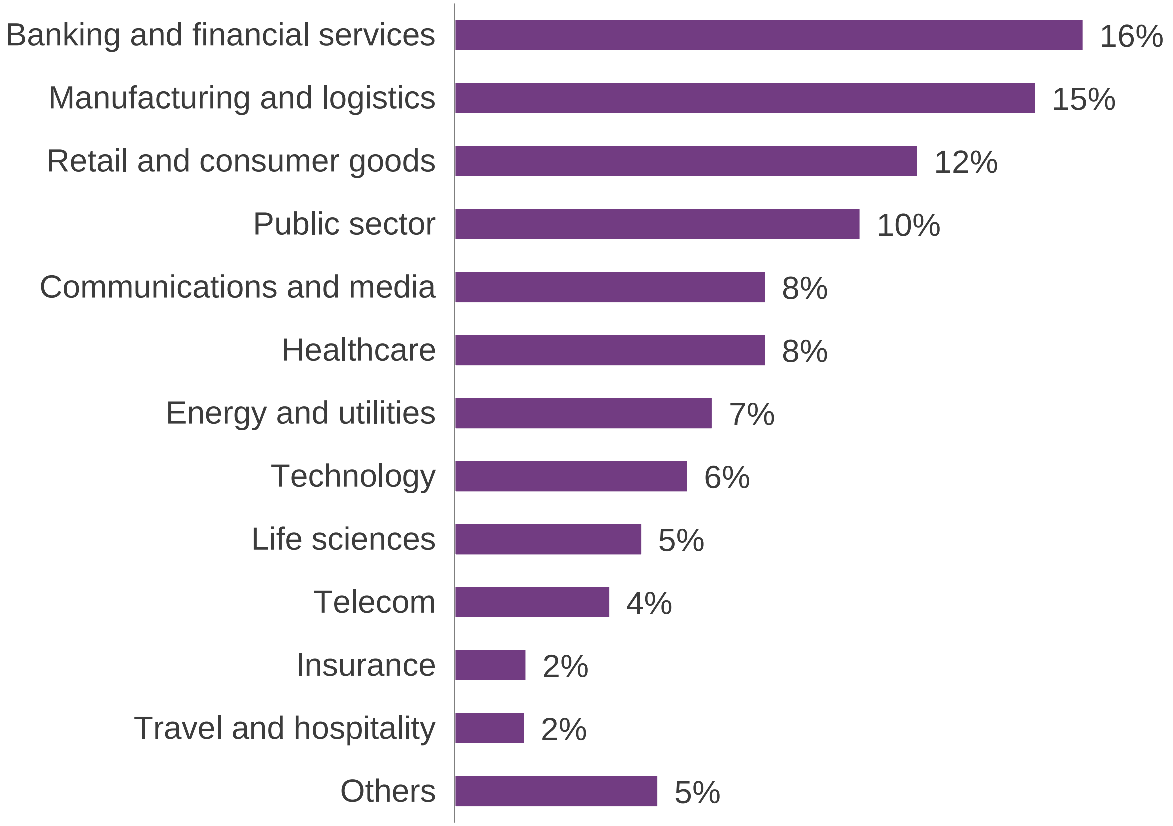
Reusable Data Model
- CMDB
- CSDM
- Knowledge Management
- Service Catalogue
- Service Level Management
- Skills Mgmt.

Security and Compliance
- Authentication
- Compliance
- Data Certification
- Encryption
- Instance Security Center
- Privacy

Administration and Configuration
- Form Designer
- Instance Data Replication
- Service Portal Designer
- Subscription Mgmt.
- Upgrade Center

Participant demographics (page 1 of 2)

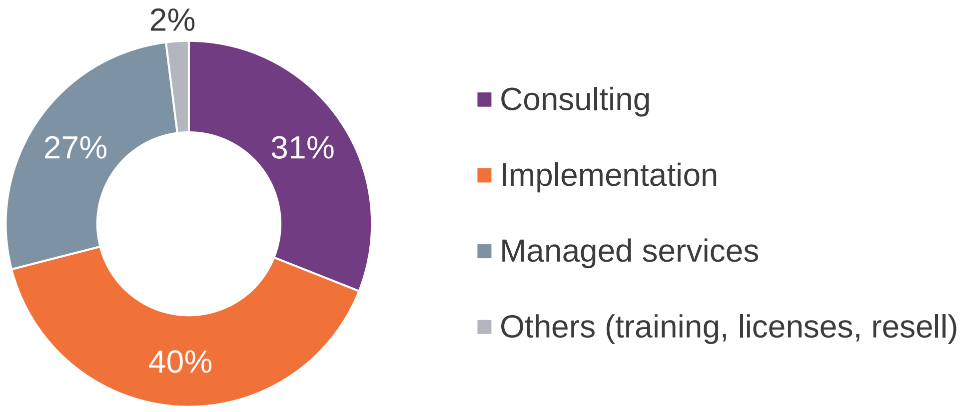
Revenue of ServiceNow services by industry



Sample: 14 service providers. Sample numbers varies based on the inputs.

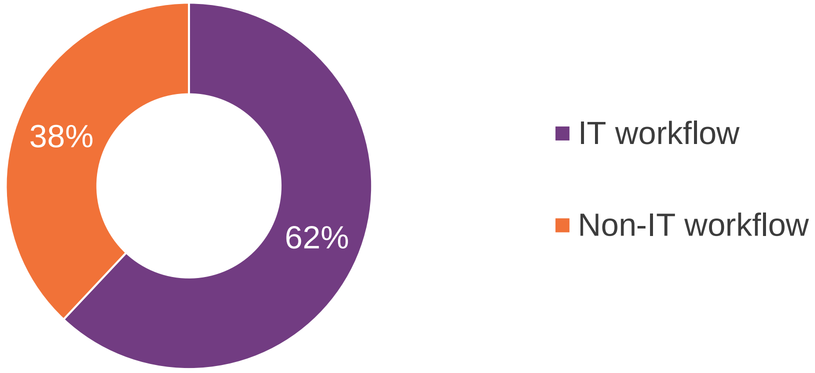
Source: HFS Research, 2023

Revenue percentage of ServiceNow services



Sample: 16 service providers. Sample numbers varies based on the inputs.

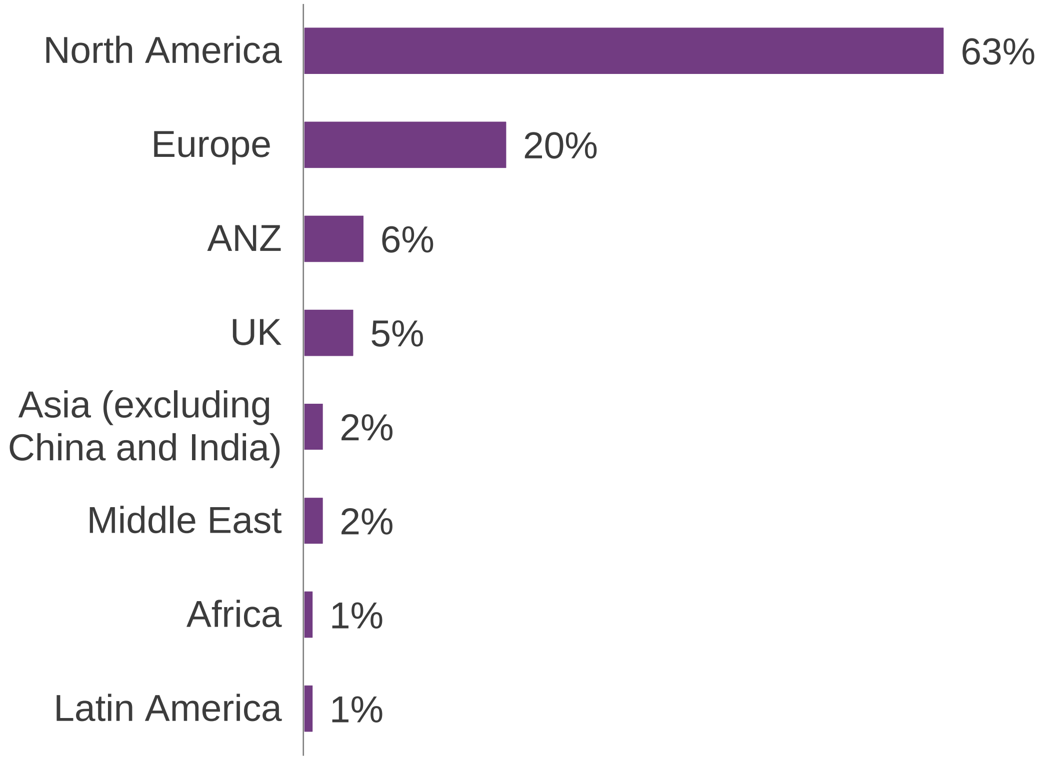
IT vs non-IT workflow revenue percentage



Sample: 17 service providers. Sample numbers varies based on the inputs.

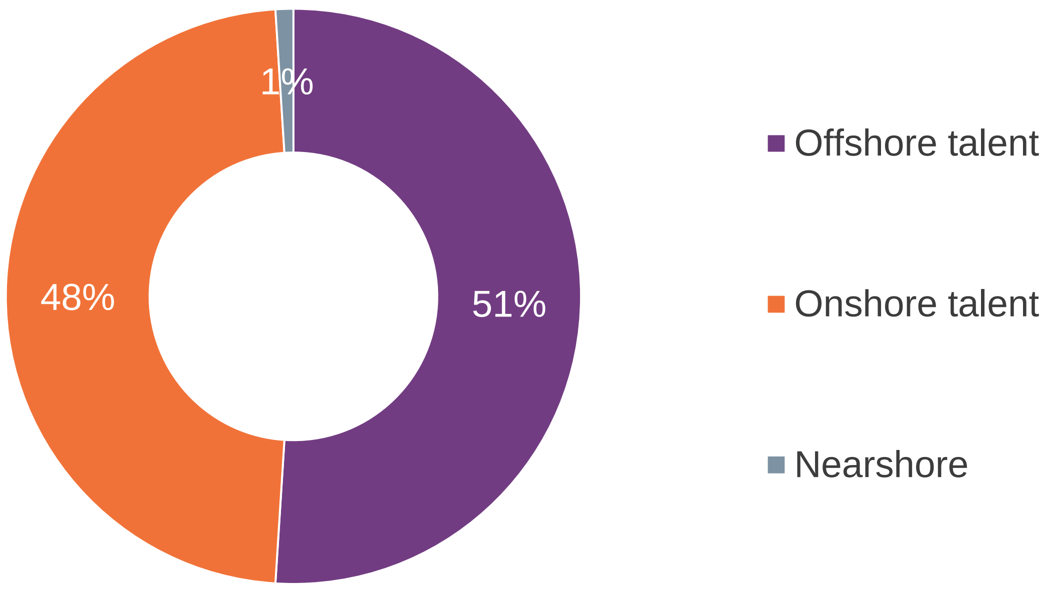
Participant demographics (page 2 of 2)

Revenue of ServiceNow services by geography



Sample: 14 service providers. Sample numbers varies based on the inputs.

FTE distribution leveraged in delivering ServiceNow services

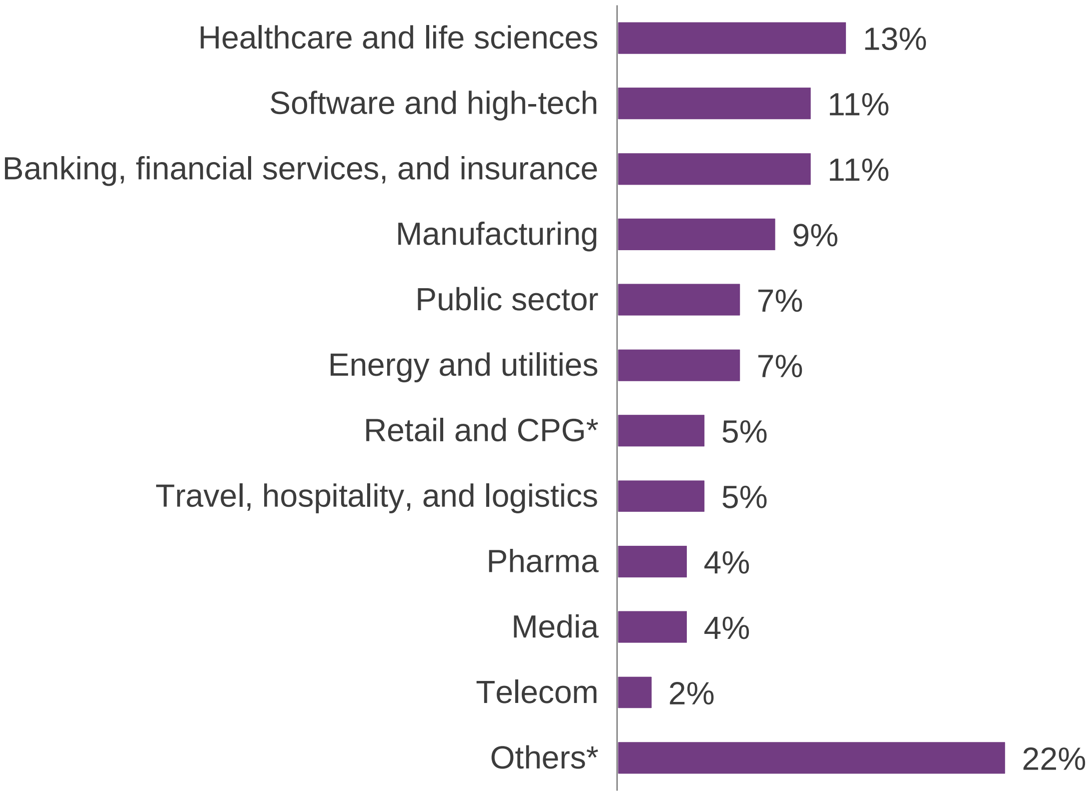


Sample: 16 service providers. Sample numbers varies based on the inputs.

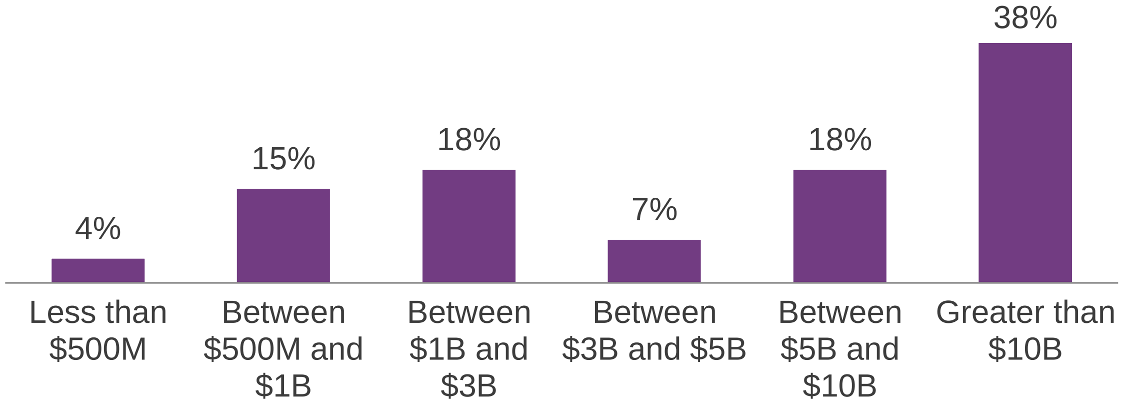
Source: HFS Research, 2023

Client reference demographics

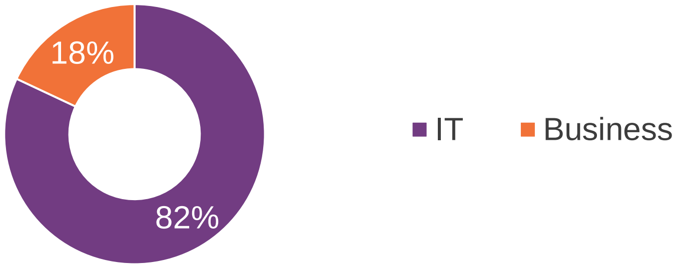
Client references by industry sector



Client references by revenue size



Organizational alignment of client references



Others*: Tobacco consumer production, automotive, professional services, sports, restaurants, realtor, apparel & fashion, construction, beverages, chemical and minerals
N = 55, number of client references
Sample: 14 service providers, 55 client references, sample number varies based on the inputs
Source: HFS Research, 2023

4 Horizons results: ServiceNow Services, 2023

HFS Horizons ServiceNow Services—summary of providers assessed in this report

Providers (alphabetical order)	**HFS point of view**
Accenture	Continuing to push the boundaries on innovation, taking ServiceNow into BPO scenarios
Atos	Leveraging heritage in infrastructure to expand into Google migration and ERP modernization
Cask	US-centric pure-play expanding into South America
Cognizant	Leveraging strength in its core verticals
Deloitte	Entrenched in FSI industry solutions while expanding toward GBS
DXC	Making operationalizing cloud infrastructure a virtue
EY	Transformation around risk and advisory, leading on GBS
GlideFast	US-centric pure-play trailblazing training
HCLTech	Excelling in operationalizing cloud transformations
IBM	Strategic technology partner to ServiceNow, entrenched in telco
Infosys	Driving ESM-centric innovations

Providers (alphabetical order)	**HFS point of view**
KPMG	Spearheading risk and ESG, excelling in transformation
Kyndryl	Excelling in complex workflow integrations
LTIMindtree	Deep entrenchment in manufacturing and OT
NTT DATA	Strong traction in retail and CPG
NewRocket	Scaled pure-play pivoting to advisory services
Plat4mation	European ServiceNow pure-play with excellence in manufacturing
TCS	Going deep on supply chain transformation
Thirdera	Scaled pure-play investing for global rollouts
UST	Excelling in operationalizing and automating transformation
Wipro	Excelling in horizontal scenarios, operationalizing cloud native through AIOps and observability

HFS Horizons—ServiceNow Services, 2023

SYNERGY is Horizon 3

Horizon 3 Service Providers demonstrate

- Horizon 2 +
- Ability to drive an **ecosystem synergy** via collaboration to create completely **new sources of value**
- Compelling thought leadership that helps clients to articulate their North Star
- Effectively envisioning of outcomes and providing business assurance for transformation enabled by ServiceNow
- Leveraging ServiceNow's holistic data mode across domains and functions such as GBS
- Driving co-creation with clients as ecosystem partners
- Referenceable and satisfied clients driving new business models with the partnership

EXPERIENCE is Horizon 2

Horizon 2 Service Providers demonstrate

- Horizon 1 +
- Ability to drive **real business, experience-led outcomes, and stakeholder experiences** while achieving **enterprise-wide transformations**
- Clear articulation of the transformation outcomes enabled by ServiceNow
- Global capabilities with strong consulting and domain expertise across the complete ServiceNow portfolio
- Capability to deliver end-to-end transformation with ongoing multi-year managed services
- Proven and leading-edge proprietary assets including industry-led solutions
- Referenceable and satisfied clients for ability to blend technology and business objectives

OPTIMIZATION OUTCOMES is Horizon 1

Horizon 1 Service Providers demonstrate

- Ability to drive **functional optimization** outcomes with selective ServiceNow capabilities
- Deep engineering capabilities driving speed and efficiency
- Strong implementation and managed services partners
- Offshore-focused with strong technical skills
- Robust fundamentals of innovation and transformation with ServiceNow
- Referenceable and satisfied clients for ability to execute technology transformation

Note: All service providers within a "Horizon" are listed alphabetically

5 EY profile: ServiceNow Services, 2023

EY: Transformation around risk and advisory, leading on GBS

Strengths	Development opportunities
• **Value proposition:** Leading with a transformation-realized framework around its specific fields, EY is building ServiceNow into its core product offerings. • **Key differentiators:** Leveraging its fields of play competencies such as risk and advisory, with typically a ratio of 5:1 competency to ServiceNow practice revenues. This also explains the success with complex requirements such as GBS. EY has a next-wave GBS solution on the ServiceNow Store and a differentiated set of alliance partners with Qualtrics, Celonis, and Tanium. • **Outcomes:** For an international tobacco product manufacturer, EY expanded from a deep GBS engagement to implementing based IWS processes on ServiceNow's Manufacturing Connected Workforce (MCW) platform, resulting in an 80% enhancement in data quality. • **Customer kudos:** Clients appreciate EY for its end-to-end delivery capabilities, bringing an ecosystem of partners together, and a strong talent pool with technical and process knowledge. • **Partner kudos:** Some partners praise EY for its broad C-suite access.	• **What we'd like to see more of:** EY leads with transformation, and it earns significant revenue contribution from industry solutions. It should double-click on building narratives from those transformation journeys. • **What we'd like to see less of:** Depictions of generic consulting capabilities. While many of its peers envy those capabilities, the ServiceNow-specific capabilities and outcomes can get lost a little at times. • **Customer critiques:** Clients are happy with EY's technical ability, but some encourage it to pay more attention to project management and align technology with business objectives. Some would like to see more effective communication with senior stakeholders. • **Partner critiques:** Some partners would like to see EY invest more globally.

ServiceNow acquisitions and partnerships	Key clients	Operations	Flagship IP and solutions
Key acquisitions 2021: Sumo 2023: Red Moki **Key partnerships** EY is a Global Elite Partner. **Strategic partners** Celonis, Qualtrics, Tanium	**ServiceNow clients:** 281 **Key clients include** • Leading regional bank in Australia • A leading international tobacco products manufacturer • American multinational pharmaceutical corporation • A government agency that provides IT support to all other state agencies. • A large bank in England • American multinational financial services company • Italian multinational electric and gas company • International personal care company	**ServiceNow services headcount:** 1,555 core FTEs **ServiceNow CSAT score:** 4.47/5 **Innovation locations** Americas, EMEIA, APAC **Delivery center locations** • India • Manila • Poland • Mexico • Spain	• **Intelligent Privacy Automation platform:** Helps clients simplify, automate, and operationalize compliance with data privacy regulations such as the EU GDPR and California's Consumer Protection Act • **Environmental, Social, and Governance (ESG):** A consolidated system for collecting, calculating, and managing ESG metrics. It provides a framework to define ESG goals and help measure progress from grassroots campaigns using a combination of scalable workflows • **GBS:** The evolution of shared services and business process outsourcing, focused on process efficiency improvement and cost reduction • **TPRaaS:** The managed service utilizes EY resources and a pre-configured technology platform powered by ServiceNow to execute the end-to-end assessment process, including risk profiling, execution, tracking, and operational activities • **Beyond HR:** A consolidation of employee services into a one-stop-shop, removing process complexity for employees and managers

6 HFS Research authors

HFS Research authors

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Tom Reuner is an Executive Research Leader at HFS. Tom is responsible for managing the HFS IT Services practice with coverage areas including cloud native, application modernization, and quality assurance. Furthermore, Tom covers the emerging ecosystems of ServiceNow, Salesforce, and Pega. Leveraging his long entrenchment in the automation community, Tom drives HFS' thought leadership on automation. A central theme of his research is the orchestration and increasing interdependency of approaches such as RPA, AIOps, Observability, and AI. He is also managing the Top 10/Horizons program to ascertain consistency and thought-leadership.

Prior to HFS, Tom worked as Head of Strategy at Arago. His deep understanding of the market dynamics comes from having held senior positions at analyst firms including Gartner, IDC, and Ovum where his responsibilities ranged from research and consulting to business development.

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Martin Gabriel is an Associate Practice Leader at HFS, covering IT services, including the cloud, application modernization, and workplace services. Additionally, Martin covers the workflow platform ServiceNow and ERP Software SAP in detail. He also tracks and manages global outsourcing contracts in the IT/BPO services space and M&A activities.

Martin has over 13 years of research, analytics, and market intelligence experience. In his TCS role, he worked on point-of-sale and consumer panel data and on analytical projects, providing business insights to clients. He was responsible for analysing retailer and consumer behaviour for various FMCG/CPG/Liquor products to address diverse business issues and provide actionable recommendations for future growth for clients. He performed extensive category reviews, brand management, and trend analysis based on the point of sale and home scan data, along with information from secondary sources. At Xchanging (acquired by DXC), he was part of the market intelligence team that supports Xchanging's vertical heads, strategy team, and sales and marketing team.

About HFS

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HFS is a unique analyst organization that combines deep visionary expertise with rapid demand-side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries. Its analysts are respected for their no-nonsense insights based on demand-side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as “RPA” (Robotic Process Automation) in 2012 and more recently, Digital OneOffice™ and OneEcosystem™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation and Process Intelligence, Blockchain, the Metaverse and Web3. HFS has deep business practices across all key industries, IT and business services, sustainability and engineering.

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