ISG Provider Lens™

ServiceNow Ecosystem Partners

An analysis of the ServiceNow ecosystem, including providers' portfolio attractiveness and competitive strengths

Customized report courtesy of: kinetic IT

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ServiceNow continues to accelerate, driven by the growth in the services market in Australia

This is the third ISG Provider Lens™ study focussing on the Australian ServiceNow market. ServiceNow has sustained its prominence as a successful player in enterprise technology. Its momentum accelerated throughout 2022, reflecting its notable growth. In 2023, the market growth was exceptional, with revenue just below $9 billion, growing at 26 percent over 2022. This growth highlights the successful execution of ServiceNow's revenue generation and marketing strategies, including in the Australian market. While ServiceNow does not release revenue numbers for the Australian market, anecdotal evidence from partners, clients and the overall local ecosystem indicates that the growth is above the global rate (allowing for currency fluctuations).

ServiceNow witnesses continuous growth

2023 saw ServiceNow introduce several new and enhanced features and capabilities to ensure clients can maximise the value they provide in the ecosystem. Key investments focused on workflow engineering and integrating IT, OT and operational and business technologies.

The Vancouver release marked a significant milestone in ServiceNow's journey towards providing clients with enhanced automation, intelligence and flexibility. An important new offering of the Vancouver release was the Now Assist GenAI platform, which leverages advanced ML algorithms to automate repetitive tasks, provide intelligent recommendations and streamline decision-making processes. Additionally, ServiceNow introduced Build on Now and Build with Now offerings, empowering organisations to customise and extend the platform according to their unique requirements.

ServiceNow clients require integrated solutions more than ever before.

These offerings enable businesses to seamlessly develop custom applications, integrations and workflows, fostering innovation and agility.

ServiceNow strengthened its partnership ecosystem by collaborating with leading technology providers and service partners that enable services and workflow innovations. These collaborations include building industry-specific solutions, pre-trained function-specific knowledge and workflow modules on the Now platform. These strategic alliances also helped ServiceNow to deliver comprehensive solutions tailored to specific industry needs, driving digital transformation and accelerating business growth.

ServiceNow's Document Intelligence solution and Document Understanding module, which is typically at the core of most business workflows and functions, are on top of Now. Document Intelligence utilises advanced ML algorithms to extract critical information from unstructured documents, such as contracts, invoices and legal documents. The Document Understanding module streamlines document processing workflows by automatically identifying and removing relevant data points, reducing the need for manual intervention and minimising the risk of errors. This feature enables organisations to accelerate document processing times, improve data accuracy and enhance compliance with regulatory requirements. This solution also includes a Document Classification module, which leverages AI-powered classification algorithms to categorise documents automatically based on their content and context. By analysing the text and structure of documents, the Document Classification module can identify patterns, keywords and metadata to accurately classify documents into predefined categories.

As the partner ecosystem showcases several customer case studies this year, these features and modules are proving particularly valuable for typical large ServiceNow client organisations dealing with large volumes of documents across diverse business functions, such as finance, human resources and legal. Organisations can seamlessly execute document retrieval, improve search capabilities, and optimize document storage and organization by streamlining document processing and knowledge engineering. The Knowledge Extraction module uses AI-powered data extraction algorithms to enable organisations to extract specific data fields from documents such as names, dates and amounts. This capability helps organisations capture structured data from unstructured documents, including invoices and purchase orders. These features and functionalities are now widely adopted for business processes such as Order-to-Cash and Procure-to-Pay, which have become mainstream integrated workflow applications on top of ServiceNow. ServiceNow's partner ecosystem supports enterprise organisations by automating the knowledge extraction and integration process, accelerating data entry tasks, reducing manual errors and improving data quality.

Three underlying factors are impacting the services market for ServiceNow in Australia.

In 2022, the skills demand for ServiceNow could not have been stronger; costs were escalating, and the need for certification was clear. In 2024, the market is still strong, but the demand level has slightly tapered off. Although ServiceNow focuses on process automation, it still needs resources for the creation, implementation and management of solutions. The current shift from the peak heights of skill demand may be an aberration; as a result, onshore and offshore resources need to accelerate certification and skills development. ServiceNow and its service partners are strongly committed to training, with the growing need for advanced skills and the requirement for a large talent pool with the required expertise.

After the consolidation in 2022, the levels of mergers and acquisitions were slower in 2023. The acquisition of Thirdera by Cognizant significantly impacted the local market. Given the mismatch in valuation expectations, the level of acquisitions maybe limited in the market, unless vendors can create value above and beyond current expectations.

The third issue is related to ServiceNow's approach to partnering. Discussions with its partners have clarified that the support from ServiceNow is improving, particularly in comparison with 2022 and earlier. Building a services ecosystem for any provider of any size is not easy. 2023 saw further positive perceptions from ServiceNow partners.

The changes to the investment requirements necessary to achieve the Elite partner status in the Australian market have triggered uncertainty and concern among some partners. However, the developments in 2023 have indicated that there is a place for providers at all levels, with a degree of flexibility in defining an Elite-level partner. At the same time, this transition to the Elite level poses a challenge for some partners.

For this IPL report, ISG looks at three components of the services market: consulting services, implementation and integration services, and managed services. Each service area clearly addresses different client requirements and reflects the maturity of a client's investment in ServiceNow. As the report highlights, some vendors can provide services across all three service areas with consistent levels of capabilities. At the same time, some vendors have specialised capabilities in one or two of the three service areas. For vendors looking to go up, or down the stack, the key requirement is to meet client requirements, build the level of skills required in the market and, most importantly, provide genuine and measurable business outcomes for clients.

> The ServiceNow ecosystem is growing strongly, meeting client requirements. While the services market is mature, constant investments in talent and skills development are required to deliver the desired business outcomes of the technology to clients.

Provider Positioning

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

Provider Positioning

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

Provider Positioning

	ServiceNow Consulting Services	ServiceNow Implementation and Integration Services	ServiceNow Managed Services Providers
Sysintegra	Market Challenger	Contender	Not In
TCS	Product Challenger	Rising Star ★	Leader
Tech Mahindra	Product Challenger	Product Challenger	Product Challenger
ValueFlow	Product Challenger	Contender	Contender
Wipro	Market Challenger	Leader	Leader

Key focus areas for ServiceNow Ecosystem Partners.

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

Simplified Illustration; Source: ISG 2024

Definition

ServiceNow continues to experience substantial growth, recording revenue of $2,150 million in the second quarter of 2023, a 23 percent YoY increase. This growth demonstrates ServiceNow's ability to meet customer requirements.

ServiceNow adoption and workflow engineering trajectory indicate a future where enterprise clients consistently optimize efficiency by embedding technology components. Service providers are pivotal in crafting these tailored, intelligent workflow solutions that propel businesses forward in the competitive digital economy. Service providers are responding positively to these shifts by adopting ServiceNow capabilities to develop bespoke solutions catering to the needs of vertical industries. A growing trend toward industry-specific workflows is evident through strategic acquisitions and partnerships to enhance domain expertise. Growing demand from enterprise clients is driving service providers to explore GenAI and ML capabilities, adding predictive and prescriptive analytics into workflows to facilitate smarter and more proactive operations. ServiceNow's Now Platform introduces GenAI features, such as Case Summarization and Text-to-Code, integrated into all workflow offerings. These capabilities leverage ServiceNow's proprietary large language models (LLMs) and are purpose-built for the ServiceNow platform, reducing repetitive work and significantly improving productivity.

ServiceNow recently announced the Vancouver release, with a heightened focus on GenAI, broadening the customer engagement opportunities for the vendor with a growing customer set.

Strategic consolidation of partner programs indicates platform maturity and the evolution of service offerings, competence and innovation, all focused on delivering connected value. The technology and industry inclusion in workflow engineering aligns with market demand.

ServiceNow is transitioning from being a preferred ITSM process management tool to an enterprise-wide portfolio operations tool that drives a comprehensive customer-business-creator experience and value.

Key ServiceNow announcements in the past 12 months included a deepened relationship with NVIDIA and a revamped and realigned partner engagement model. This partner relaunch has enabled ServiceNow to improve partner-centric activities by realigning incentives and program details to maximize mutual benefits. ServiceNow partners have responded positively to the new program, gaining clarity on tiers and incentives, which is the most important factor.

The ISG Provider Lens™ ServiceNow Ecosystem 2024 study analyzes services and offerings from ServiceNow partners in the U.S., Brazil, Europe and Australia, focusing on select segments. Enterprises seek accredited and reliable professional services (in multiple segments that ISG analyzes individually) to fully utilize ServiceNow's expanding functionalities, ranging from process redesign and software implementation and integration to increased application management and training requirements. Partner companies' focus is indicated by their various offerings and certification levels, which can cover full-scale lifecycle support and specific services for distinct tasks.

Scope of the Report

This ISG Provider Lens™ quadrant report covers the following three quadrants: ServiceNow Consulting Services, ServiceNow Implementation and Integration Services, and ServiceNow Managed Services Providers.

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

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

Our study serves as the basis for important decision-making by covering providers' 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 $20 million and $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 $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 Challenger, Market Challenger and Contender), and the providers are positioned accordingly. Each ISG Provider Lens™ quadrant may include service providers that ISG believes have 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 Consulting Services

Who Should Read This Section

In this quadrant report, ISG highlights the current market positioning of ServiceNow consulting service providers in Australia and how each provider addresses the critical challenges faced by enterprises and government 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.

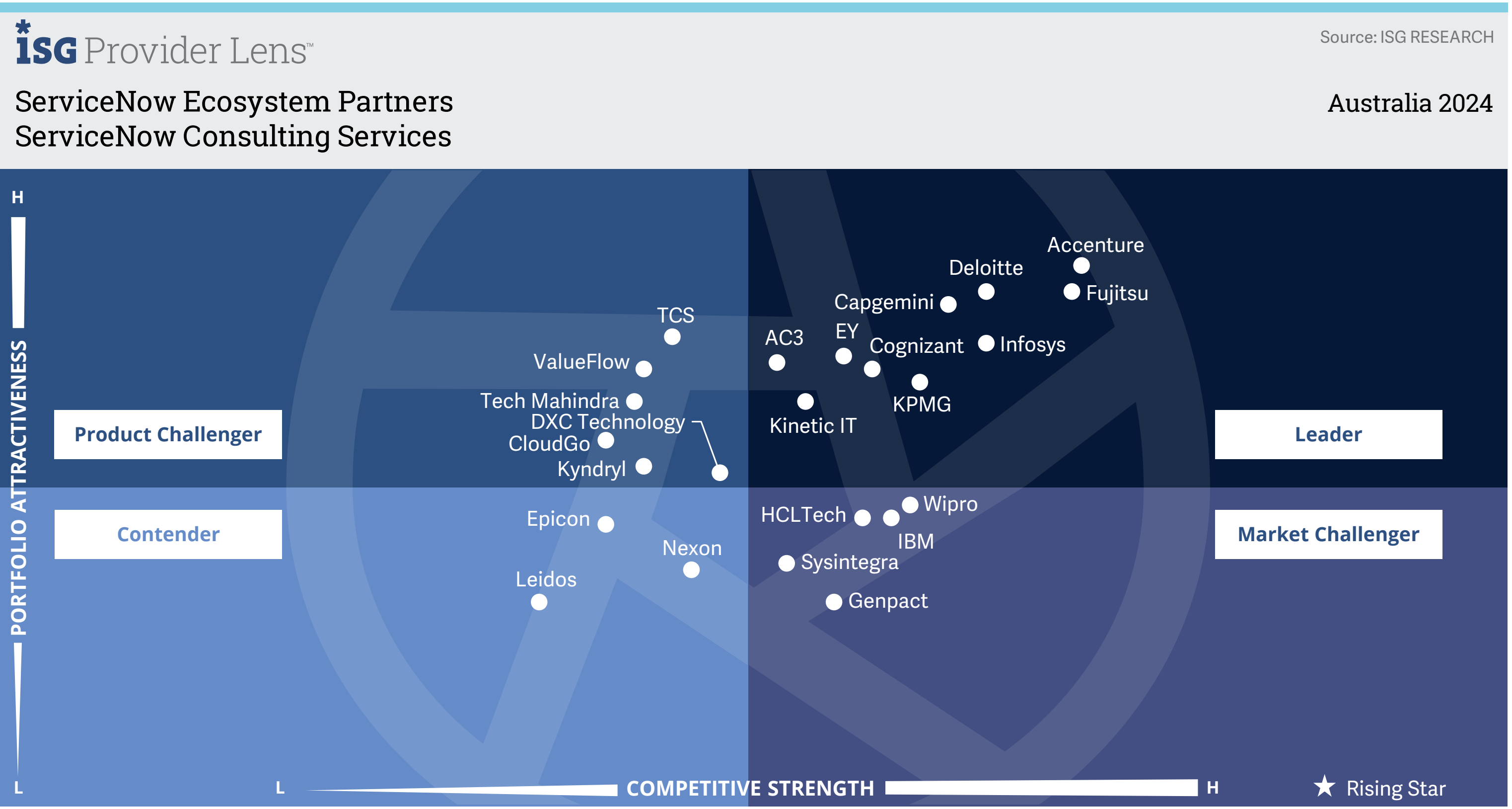
Australian enterprises and government agencies must evaluate ServiceNow consulting service providers based, in part, on their end-to-end delivery capabilities. They expect an investment and capability roadmap, a blueprint for process transformation, and evidence that the ServiceNow solutions offered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

Concurrently, ServiceNow solution providers 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 to understand the capabilities of consulting providers as they are looking to bring about business transformation through ServiceNow.

Digital transformation leaders should read the report to undertake initiatives to build resilient organisations and know how service providers design ServiceNow solutions to meet their requirements.

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



As ServiceNow's influence reaches further across enterprises, the need for consulting capabilities to set the strategy for optimising the value of the platform in an organisation is increasing accordingly.

Phil Hassey

Definition

This quadrant assesses consulting service providers that help clients prepare for workflow management services. ServiceNow consulting services are gaining traction, with two main drivers: the company's growth regions and new offerings, and because of new economic realities that raise enterprise emphasis on cost optimization. Many clients will face budget restrictions, emphasizing preserving existing investments.

Newer and strategic functionalities on the ServiceNow platform, including those in non-IT HR, finance, legal, facilities, environment, sustainability and governance (ESG) and governance, risk and compliance (GRC) workflows, are rapidly gaining importance as key priorities for clients across regions. Clients aspire to maximize operational and strategic value from their existing enterprise platform, which remains a fundamental aspect of their future strategy. Strategic ecosystem partners in both IT and non-IT services identify and realize integrated workflow engineering opportunities for their clients.

Clients prefer consulting companies that have already invested in reference models and assessment methodologies, industry-specific benchmarking data and capabilities and have referenceable peers and verifiable outcomes from the platform. This enables these providers to understand clients' maturity and current challenges. Service providers should possess comprehensive knowledge of ServiceNow's technical capabilities and future releases, including new features, modules and technology solutions, such as Now Assist with GenAI capabilities. These tools help in designing non-linear workflow transformation solutions and deploy strategic platform value streams and roadmaps.

Utilizing ServiceNow as the primary enterprise engagement platform presents both challenges and opportunities. The platform's new functionalities in customer services, facility management, field services and ESG compliance offer various potential use cases. Designing roadmaps that maximize the platform's value for organizations is essential.

Eligibility Criteria

1. Use of reference models, templates and frameworks: **Implementing best practices** for opportunity identification and assessments for new **ServiceNow competencies; providing frameworks and tools for ROI and business case development** and benchmarks for realizing value
2. Experience in broad workflow and service management: **Designing client roadmaps** to use ServiceNow as an integrated "platform of platforms" for major enterprise business operations, IT services, **ESG and integration with GRC** and security policies
3. Ability to predict and leverage long-term disruptive technological developments: Using **integrative platforms capabilities** across technology ecosystems, including identifying opportunities for disruptive AI applications, such as **GenAI, transformers and LLMs; employing tools and methodologies** for market intelligence analysis with ML; actively participating in new-age technology communities and knowledge forums
4. Knowledge of ServiceNow capabilities and other tools: Understanding different releases, functional and **business processes supported** by ServiceNow, and expertise in ITSM and ITOM; specialization in areas such as **CSM, HR, F/A, facility management, ESG and security**
5. Strategic approach and knowledge utilization of ServiceNow, Now platform and Now Assist in different industry scenarios: Providing **strategic guidance in vision and mission**; developing **industry-specific solutions**, such as in BFSI, healthcare, manufacturing and telecommunications; engaging in rapid engineering, experimentation and development, with new functionalities, for instance, GenAI on Now Assist
6. Possess relevant certifications: Holding ServiceNow **certifications and workflow badges**, expertise in ITIL 4, COBIT, DevOps and ESM-related accredited experience, ESG and GRC-related capabilities, integration experience and industry and region-specific regulatory knowledge.
7. Experience in organizational change principles and practice: **Planning, delivering and supporting organizational changes** with proven case studies and client storyboards from various industries; **adoption and platform performance assessments** by industries of different sizes and levels of maturity

Observations

The momentum of ServiceNow accelerated throughout 2023. The observations in this report reflect its notable growth. As was the case in the prior years of the report, consulting services provide the fundamental base for investment in ServiceNow to achieve business, technology and digital outcomes for enterprises. The annual incremental growth of ServiceNow offerings and portfolio drives investment by Australian clients in consulting services to ensure they have the foundations for the successful deployment of ServiceNow.

At the same time, vendors are constantly investing in their consulting solutions to ensure successful implementation and enhance managed services capabilities. Throughout 2024 and beyond, consulting services will become more strategic to enable ServiceNow customers to harness the platform capabilities in GenAI.

From the 37 companies assessed for this study, 25 qualified for this quadrant, with 10 being Leaders.

AC3

AC3 has made continual investments in the ServiceNow ecosystem for clients in Australia and New Zealand, making it a leader in the market.

accenture

Accenture has been increasingly investing in ServiceNow solutions, while also ensuring ongoing investments across its platform solutions ecosystem.

Capgemini

Capgemini ensures that ServiceNow solutions align with both private and public sector clients' business requirements to derive measurable business outcomes.

cognizant

Cognizant leverages its consulting capabilities to drive organisational change and ensure that clients have the fundamentals for effective ServiceNow deployments.

Deloitte.

Deloitte has a strong industry focus and looks to leverage consulting services to enable clients to understand and leverage the potential of their investments in ServiceNow.

enable

Enable, a Fujitsu Company, has progressed in the last 12 months to leverage the value of Fujitsu's integrated approach to ServiceNow capabilities and focuses on enhancing global best practices.

EY

EY leverages the expertise gained through the acquisition of New Zealand-based consulting company, Red Moki, and increases its investments in ServiceNow solutions for risk management in Australia.

Infosys

Infosys focuses on offering industry solutions to clients in Australia, while leveraging process reengineering capabilities to derive client benefits in consulting with the ServiceNow platform.

kinetic IT

Kinetic IT continues to provide differentiated capabilities and offerings for clients in Australia and has successfully expanded its regional presence from its base in Western Australia.

KPMG

KPMG's ServiceNow consulting harnesses the company's strengths in ensuring regulatory compliance, seamless risk management service delivery and security from the outset of a ServiceNow deployment lifecycle.

Leader

"Continual investments in ServiceNow consulting solutions are key to its ongoing success among clients in Australia."

Phil Hassey

Kinetic IT

Overview

Kinetic IT, established in 1995 with dual headquarters in Perth and Melbourne, Australia, is one of the leading independent IT service providers in the region. It has approximately 1,400 employees, with offices in Western Australia, the Northern Territory, and the Australian East Coast. It covers a broad range of industries including state , government, mining, utilities, transport and healthcare, with increasing investments in and visibility in the delivery of services to the Australian federal government. ServiceNow is a fundamental offering of Kinetic IT, and plays a key role in driving customer innovation and transformation.

Strengths

Breadth of ServiceNow offerings: Kinetic IT has a full range of primary product lines related to ServiceNow. The six offerings are IT service management, human resources case management, IT operations management, customer services management, IT asset management and customer applications. Kinetic IT also has identified emerging opportunities within cyberin security operation and OT management.

Specific ServiceNow consulting offerings: The focussed ServiceNow consulting offerings include strategy development, roadmap development, solution consulting, health reviews, maturity assessments, governance establishment and governance oversight. These can operate as standalone solutions or integrated more broadly.

Consistent growth in client base: From its beginnings in Western Australia, Kinetic IT has rapidly expanded its national capabilities and operational footprint. This has led to several new logos in both the private and public sectors. From a public sector perspective, it experienced success in state and federal government environments.

Caution

The bar for classification as an Elite Partner of ServiceNow gets higher. Kinetic IT needs to ensure clients that regardless of partner level, the relationship with ServiceNow and the execution of solutions will not change.

ServiceNow Implementation and Integration Services

Who Should Read This Section

In this quadrant report, ISG highlights the current market positioning of ServiceNow implementation and integration service providers in Australia and how each provider addresses the critical challenges faced by enterprises and government 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.

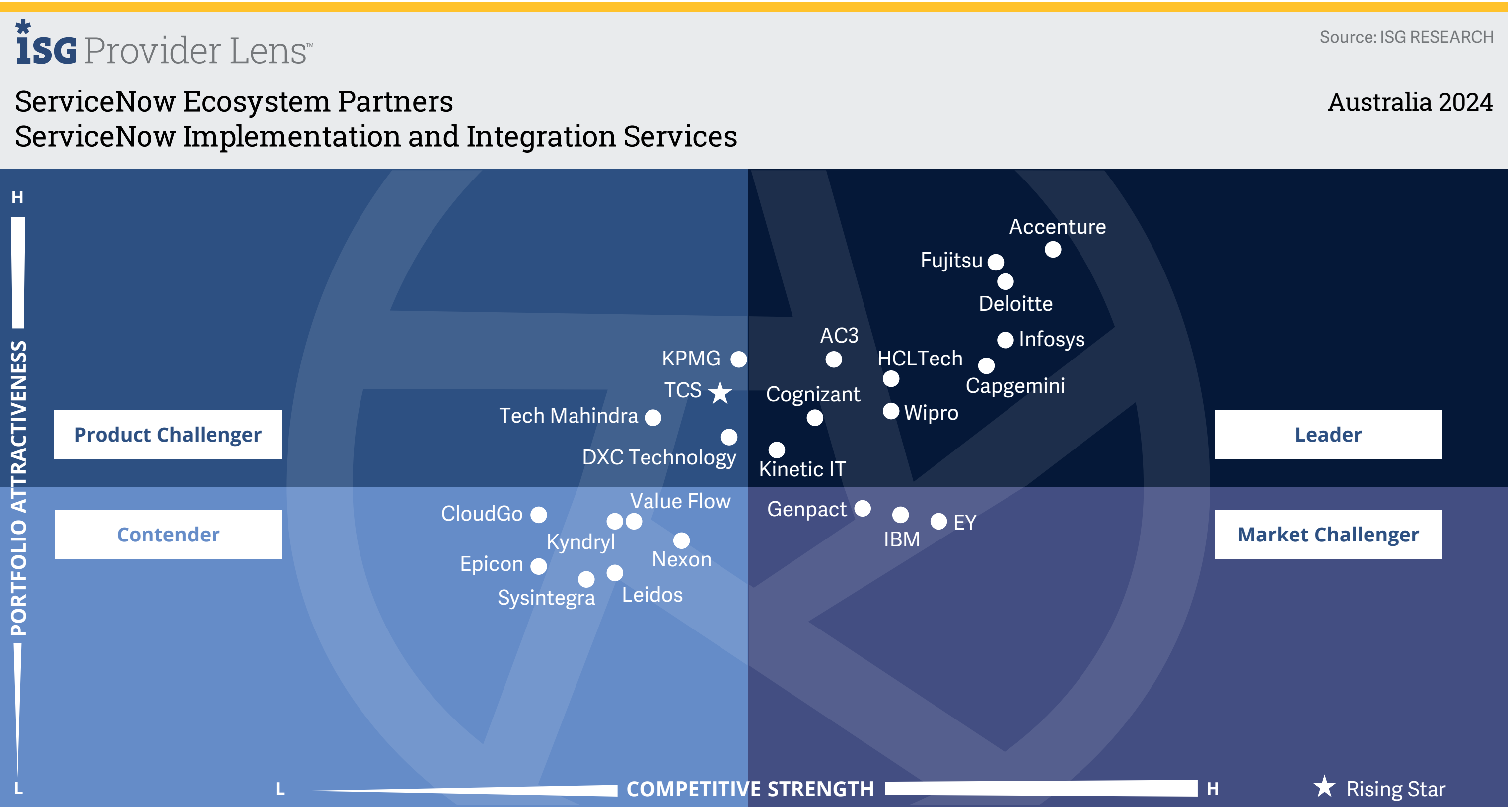
Enterprises in Australia are keen on strategically leveraging the ServiceNow ecosystem and innovations for their digital transformation. They are also focussing on implementations that provide tangible and repeatable business outcomes. To achieve this, they require the support of teams of certified ServiceNow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

All enterprises and government 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 offer tailored solutions to address specific customer requirements.

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

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

Engineering professionals should use this report to understand the developments in software solutions so they can invest in and build intellectual properties and accelerators for cloud platforms and relevant industries.



The cornerstone of the successful deployment of the platform is the **implementation and integration of ServiceNow**. The market boasts a high **level of capability** to drive these required strong outcomes.

Phil Hassey

Definition

ServiceNow serves as the central system that brings together external and internal clients, fulfilling requirements without adding to the organization's internal complexity. Implementing such an intelligent workflow platform in a complex enterprise requires expertise, experience and specialized capabilities for seamless integration with other applications, software and tools, minimizing data reformatting. The focus is on deploying industry-specific and functional solutions on the ServiceNow platform using newly added capabilities, which have become a growing strategic differentiator.

To meet the growing technical and business requirements, service providers must have reliable methodologies and an agile workforce trained in modern techniques and capable of rapid scaling. They also require excellent capabilities in system architecture, deep coding experience for low/no-code developments and a thorough understanding of AI and ML to embed intelligence into decision-making processes and simplify complex tasks. Multicloud, multitenant architectures are highly complex, and the growing cybersecurity concerns prompt clients to seek highly efficient service providers. Service providers should also focus on obtaining certifications to demonstrate their credibility to clients.

Integrating advanced AI and ML capabilities on the ServiceNow platform, including the GenAI applications within the Now Assist modules, is quickly emerging and enabling the engineering and development of augmented enterprise workflows. These applications are built and tested in industry-specific solutions and services as well as technology services.

Eligibility Criteria

1. Use of predefined solutions, accelerators and templates: **Experience in Agile project management** (PMP certifications, SAFe and Scrum), continuous integration/continuous development, **DevOps best practices and toolchains**; proficiency in containerization platforms, application performance monitoring and platform-specific operation management tools
2. Experience with emerging technologies, including GenAI on Now Assist: experience in **enterprise shared services/ BPO, cloud and multicloud integration**, E2E management for ML techniques and **NLP and AI capabilities paired with cognitive computing** to **enable digital service management (DSM)**, virtual agents and self-service; expertise in enterprise workflow transformation and **cognitive knowledge leverage** applications experimented and developed using **GenAI services and the Now Assist platform**; experience in design and development across personas, such as customers and employees, **developing autonomous and automated experience delivery solutions**
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 for 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** at various levels (starter, standard, professional and enterprise)

Observations

Year over year, the ServiceNow market is evolving, with clients realizing incremental benefits from their investments in the platform. At the vendor level, M&A strategies provide a level of market disruption, which is expected to accelerate in 2024. Significant changes are observed with the emergence of GenAI, requiring substantial investment to optimise the outcomes.

The growth in the market reflects the successful deployment of ServiceNow in the APAC, including Australia, and globally. For a client, the breadth of a service provider's ServiceNow portfolio is a key requirement to engage in implementation services. Clients no longer prefer 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 highly competitive, a characteristic it shares with most of the major technology platform markets in Australia. A skill crunch further fuels this competitive nature.

The labour market softened slightly in 2023, but this is from an unsustainable level. The demand for highly skilled resources is growing continually, while ServiceNow continues to grow and innovate its capability.

From the 37 companies assessed for this study, 25 qualified for this quadrant, with 10 being Leaders and 1 Rising Star.

AC3

AC3 works closely with clients to understand their requirements, enabling sustainable customer outcomes and positioning it as a leader in this space.

accenture

Accenture has a strong legacy of experience in integrating technology platforms, and its expertise in the ServiceNow ecosystem reflects this capability and strength. It utilises a range of methodologies in solution development.

Capgemini

Capgemini, along with ServiceNow, leverages a blend of onshore and offshore resources and internally generated intellectual property to provide implementation solutions for clients in Australia.

cognizant

Cognizant continues to grow inorganically, and the growth further accelerates in Australia and globally with the acquisition of Thirdera in 2024.

Deloitte.

Deloitte consistently delivers complex implementation and integration solutions in the Australian market. Its ServiceNow capability aligns seamlessly with this approach.

enable

Enable has continued to grow strongly in the first year, post acquisition by Fujitsu, expanding capabilities and headcount and maintaining its position as the ServiceNow APJ Elite Partner of the Year.

HCLTech

HCLTech is expanding its scale in the local market and delivering consistent services for ServiceNow clients in Australia.

Infosys

Infosys has a rapidly growing ServiceNow practice in Australia and globally, along with strong proprietary solutions.

Kinetic IT is no longer a Western Australian IT services provider; it has successfully expanded its national presence for enterprise and public sector clients.

Wipro can provide a strong suite of ServiceNow solutions for a range of industries, particularly highly regulated ones.

TCS (Rising Star) is making strong inroads for clients looking to optimise their ServiceNow capabilities and investments.

Leader

"Proven capability in ServiceNow implementations positions Kinetic IT as a leader in this space in Australia."

Phil Hassey

Kinetic IT

Overview

Kinetic IT, established in 1995 with dual headquarters in Perth and Melbourne, Australia, is one of the leading independent IT service providers in the region. It has approximately 1,400 employees, with offices in Western Australia, the Northern Territory, and the Australian East Coast. It covers a broad range of industries including state government, mining, utilities transport and healthcare, with increasing investments and visibility in the delivery of services to the Australian federal government. ServiceNow is a fundamental offering of Kinetic IT including implementation solutions.

Strengths

Accelerators and intellectual property delivery: Developing a set of accelerators and intellectual property to streamline processes and enhance outcomes is a key factor driving Kinetic IT's growth in the ServiceNow implementation and integration space. The accelerators are classified into three key service areas: service catalogue primer, content library and CSDM adoption primer. From an asset point of view, there are four key delivery artefacts — artefact library, project templates, operational processes and maintenance procedures. The company has also developed a range of intellectual property solutions for automated virtual agents (notably conversational AI), identity verification, fulfillment automation and audit traceability.

Long-term client relationships: Kinetic IT was one of the first established ServiceNow partners in Australia, starting in 2010. It has been able to leverage this partnership for long-term engagements with public and private sector clients. This sustained client engagement is important to increase customer satisfaction and build mutual respect for clients

Caution

While Kinetic IT's growth has been notable, it must ensure that clients, particularly from the East Coast, are fully aware of its local offerings and do not perceive it solely as a specialist based in Western Australia.

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 government 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.

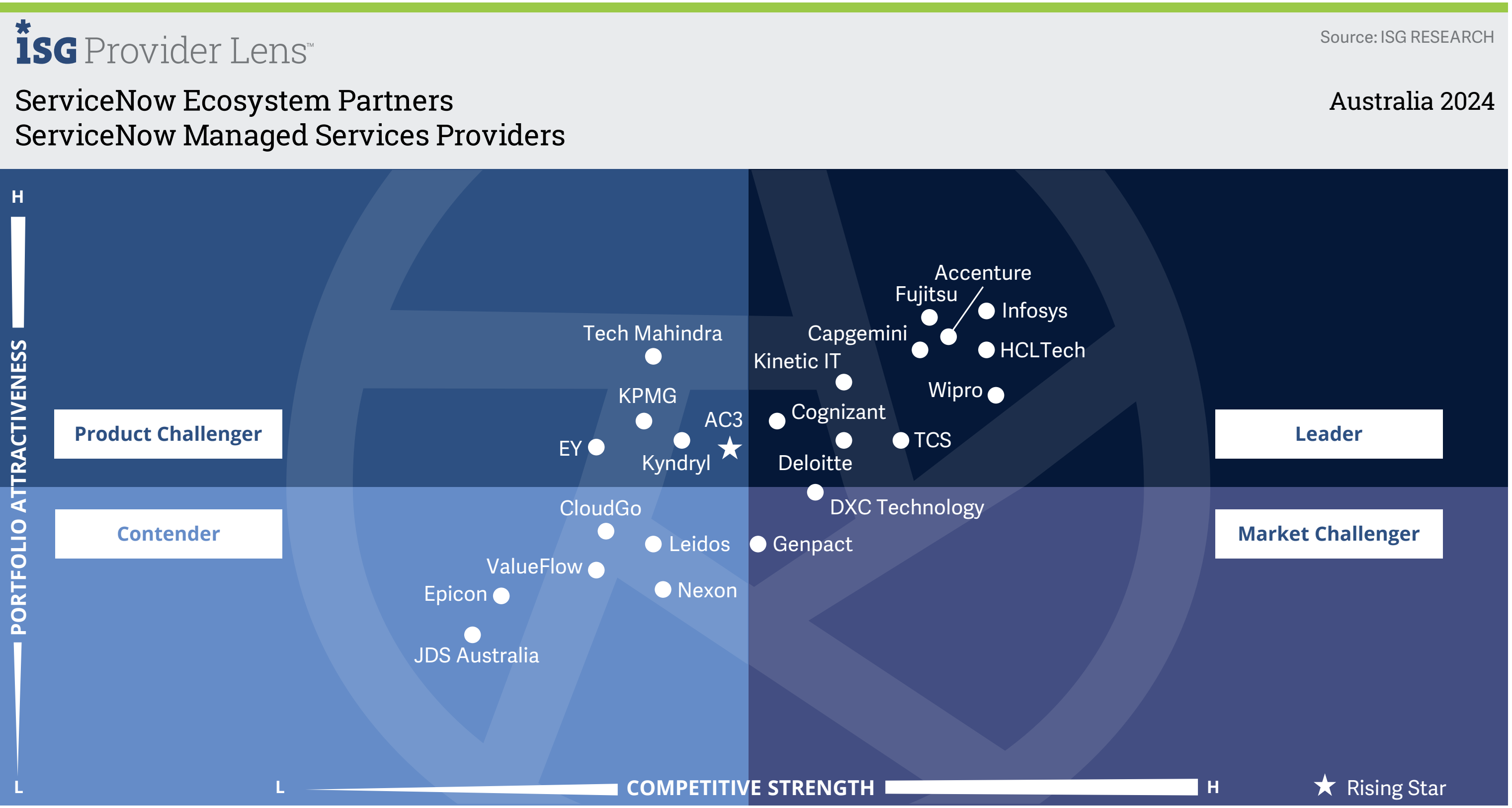
For successful managed service engagements, it is critical to identify, leverage and manage human resources optimally. Teams engaged in managed service deals must familiarize themselves with a client's business, environment and culture. This includes understanding the success metrics from the client's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

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

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 professionals responsible for CX should read this report to understand ServiceNow managed service providers' ability to deliver services consistently based on client requirements.



The ongoing growth of ServiceNow solutions in the managed services market reflects the strategic importance of these solutions. This growth is driven by the increasing **maturity of the ServiceNow platform, facilitated by its ability to deliver desired business outcomes and robust cost management.**

Phil Hassey

Definition

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

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 platform's continuous evolution, which can challenge the status quo of the existing solution and managing two new releases in a short period.

Considering the complexity of workflows that require support, providers must deliver services globally and across different organizational domains. They must manage a highly sophisticated and integrated application landscape, demonstrating how they operate within or integrate with a multivendor environment.

When analysing providers in this quadrant, factors such as maintenance effectiveness, data quality management, data security and compliance are taken into account. Managing multicultural aspects, especially in nearshore/offshore delivery cases, is as important as offering different deployment options, considering potential data privacy and residency concerns. Offering different pricing options due to the new economic situation in many countries is also significant.

As ServiceNow increasingly becomes the unified enterprise platform, effectively managing its lifecycle and services assets built and operated on top of it poses a critical challenge along its long-term maturity curve. Evaluating the platform costs and license management versus the value and ROI realization of the strategic platform assets is also essential, considering CloudOps and FinOps capabilities on the platform. Managing the risks associated with critical features and workflows on the platform is another essential capability required for effective RiskOps.

Eligibility Criteria

1. **Experience with support:** Involves extensive experience with 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 partnerships: Partnerships with key software providers** and a comprehensive **application management service (AMS)-related portfolio**
4. **Service integration and management (SIAM) and delivery models:** Expertise in managing ServiceNow in broader applications under CloudOps, such as AIOps, MLOps, FinOps, RiskOps and ITOps
5. **Delivery and contract models maturity: Ability to manage multiple vendors** and dependencies between toolchains while adhering to support SLAs
6. **Broad customer base:** Includes local use cases and references
7. **Intelligent, adaptive and progressive maintenance:** In sync with upgrades and **functionality enhancements from ServiceNow** and technology ecosystems, and with service integrators, in-house engineering teams (, external partners and specialized tool providers
8. **Ability to manage decentralized deployment within the organization:** Adoption of low-code/no-code and citizen developer techniques; offering **training for identification and delivery;** providing user knowledge updates on new releases, versions, features and modules

Observations

This 2023 study has seen increased momentum in the Australian managed services market for ServiceNow. While the market is far from a fully mature environment, ISG identifies that providers' capabilities are maturing. This has resulted in a consolidation of managed services capabilities from some key providers, while others have seen a change in their market positioning, as they have failed to realise and optimise their managed services capabilities.

To be successful in this space, a service provider must possess capabilities beyond implementation and integration. The success depends on the providers' focus on changing their mindset and their ability to meet enterprises' changing needs.

As lack of skills remains a challenge for vendors and enterprises alike, managed services solutions focussed on strong levels of automation and workload predictability will continue to be important as in other maturing technology platforms offered by hyperscalers and SaaS providers.

From the 37 companies assessed for this study, 25 qualified for this quadrant, with 10 being Leaders and 1 Rising Star.

Accenture has made a long-term investment in managed service solutions to provide long-term solutions to clients and maximise their business outcomes.

Capgemini has invested strongly in managed services across all platforms and understands the methodologies required to ensure value is generated for clients with these solutions.

Deloitte leverages its strength in integration capacity and automation to offer IP-based managed service solutions to clients.

Enable can leverage the managed service capabilities of Fujitsu to accelerate real business outcomes for clients.

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

Infosys has been successful in the ServiceNow managed services environment by focusing on outcomes, cost savings and scalability of skills.

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.

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

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.

AC3

AC3 (Rising Star), as its ServiceNow implementation capabilities mature, focuses on investing in expanding its managed service capabilities.

Leader

"Strong long-term relationships with Australian clients position Kinetic IT as a leader in the local market."

Phil Hassey

Kinetic IT

Overview

Kinetic IT, established in 1995 with dual headquarters in Perth and Melbourne, Australia, is one of the leading independent IT service providers in the region. It has approximately 1,400 employees, with offices in Western Australia, the Northern Territory, and the Australian East Coast. It covers a broad range of industries including state government, mining, utilities, transport and healthcare, with increasing investments and visibility in the delivery of services to the Australian federal government. ServiceNow is a fundamental offering of Kinetic IT. Managed services are a strong aspect of the company's overall portfolio.

Strengths

Focus on governance: Kinetic IT develops governance models with the onset of a client engagement on the ServiceNow platform. This is followed by the establishment of governance forums and ongoing support for the governance approaches. This helps ensure that both compliance and governance are at the centre of investments.

Increased scale for clients: With a strong footprint in the region, Kinetic IT has the required expertise and experience to serve public and private sector clients. This strength is highlighted by its ability to support substantial numbers of end users in Western Australia alone. The company also has exceptional experience in delivering services to remote communities across Australia.

GenAI offerings: Kinetic IT is developing a broad base of GenAI offerings for the local market, covering four key service areas. These include product advisory, designed to provide clients with the opportunity to identify and unlock value through Gen AI; foundation development that helps establish foundational data elements and processes; governance establishment that supports the development of and ensures the adherence to operational governance and guardrails; and solution prototyping that enables early adopters of the technology to develop prototypes and proof of concept solutions.

Caution

To ensure the growth and diversity of client solutions available, Kinetic IT must identify platforms like ServiceNow for which it can provide services and solutions. This growth and diversity can increase its client base, leading to a strong business future.

Star of Excellence

A program, designed by ISG, to collect client feedback about providers' success in demonstrating the highest standards of client service excellence and customer centricity.

Customer Experience (CX) Insights

Source: ISG Star of Excellence™ research program, Insights till [Month] 202X

In the ISG Star of Excellence™ research on enterprise customer experience (CX), clients have given feedback about their experience with service providers for their **[topic]** services.

Based on the direct feedback of enterprise clients, below are the key highlights:

Client Business Role

▲ **Most satisfied**
[CBR]

▼ **Least satisfied**
[CBR]

Region

▲ **Most satisfied**
[Region]

▼ **Least satisfied**
[Region]

Industry

▲ **Most satisfied**
[Industry]

▼ **Least satisfied**
[Industry]

Industry Average CX Score

99

▲ Highest CX: ##
▼ Lowest CX: ##

CX Score: 100 most satisfied, 0 least satisfied
Total responses (N) = [#]

Most Important CX Pillar

[Most Important Pillar]

Service Delivery Models	Avg % of Work Done
Onsite	47%
Nearshore	20%
Offshore	28%

Appendix

The ISG Provider Lens 2024 – ServiceNow Ecosystem partners study analyzes the relevant software vendors/service providers in the Australia market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

Study Sponsor:
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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 2024, 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

Lead 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.

Study Sponser

Aman Munglani
Director and Principal Analyst

Aman Munglani leads the ecosystems and custom research practice for ISG. He brings over twenty years of expertise in emerging technologies and industry trends. His career is marked by significant contributions in guiding top executives from Global 2000 companies, offering strategic advice on digital transformation, start-up partnerships, driving innovation, and shaping technology strategies.

In his tenure exceeding twelve years at Gartner, Aman focused on providing CIOs and IT executives across Asia Pacific and Europe with insights on the practical implementation and advancement of new technologies, the evolution of infrastructure, and detailed vendor assessments.

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.

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.

ISG Research™

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ISG

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Founded in 2006, and based in Stamford, Conn., ISG employs 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.

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ISG Provider Lens™

MAY, 2024

REPORT: SERVICENOW ECOSYSTEM PARTNERS