

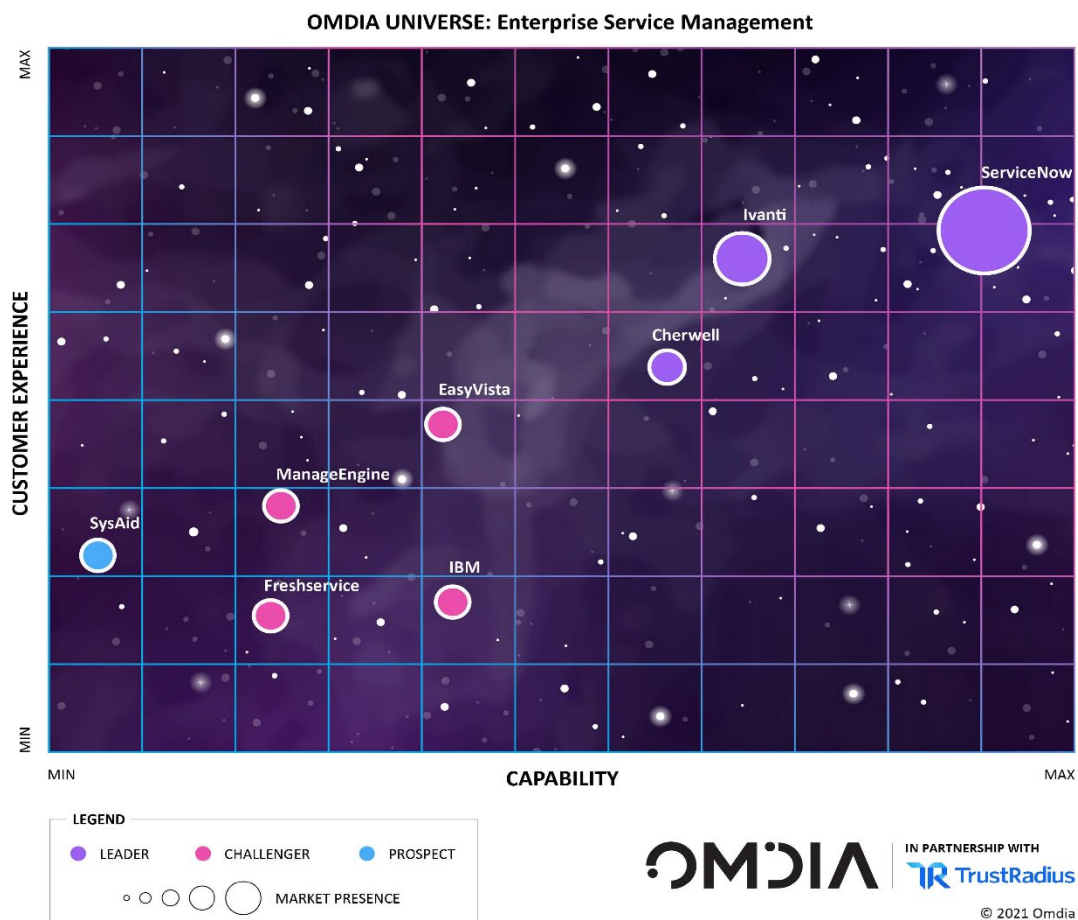
Enterprise Service Management, 2021

Summary

Catalyst

Service management tools have evolved far beyond their IT support roots. These solutions are being adopted outside of IT by a range of business functions, including HR teams, facilities management functions, and customer service departments. Additionally, enterprise service management (ESM) solutions have become valuable to communications service providers (CSPs), helping these companies improve customer experiences and interactions with automation and e-bonding features.

Figure 1: The Omdia Universe for Enterprise Service Management



Source: Omdia

Omdia view

Optimizing technical support has long been a priority for IT service management (ITSM) solutions. However, delivering support that extends beyond the reactive “break/fix” technical model is now a vital focus for businesses, particularly as concern has recently intensified around employees’ wellbeing and workplace experience. Although initiatives to help improve support and employee experience are nothing new, the priority that businesses now attach to these efforts has significantly increased during the COVID-19 pandemic and the subsequent shift to remote work. These solutions offer much more than just ticketing and service desk capabilities—they are an important tool in maintaining broader IT infrastructure and operations. ITSM solutions have long been a vital back-office solution, enabling businesses to keep the operational lights on, so to speak, while supporting efforts to innovate with new digital capabilities. While employees rarely notice the majority of the core back-office capabilities offered by ITSM tools, they certainly recognize the value these capabilities deliver in supporting the applications and systems they use.

In recent years, ITSM solutions have expanded these core ITSM capabilities to offer business value to other business units, including HR, facilities management, and customer service teams. At the core of this extended value proposition for alternate buying centers are workflow automation and digitization capabilities specific to departmental needs. This cross-functional capability enables businesses to develop contextualized and automated workflows that extend beyond the enterprise IT department, thus helping enterprises break down business siloes at a process level. Within customer service, for example, front- and back-office process-level integration means that agents can efficiently manage customer issues and resolve them more quickly. Additionally, more advanced capabilities such as virtual agents (to automate manual processes) or low-code solutions (to easily script workflow and develop micro apps) can be developed on top of this integrated platform and data set. These advancements have made enterprise service management solutions an important digital transformation enabler that support businesses in better integrating the different systems and services in use and the workflows that sit across them.

Key messages

- ESM is the extension of traditional ITSM practices and technologies into the wider business.
- ESM is being driven by business needs to better integrate, digitize, automate, and manage the workflows and processes that extend across different business units.
- ServiceNow is a dominant player in the market in terms of mindshare and market impact.
- Acquisitions made by Ivanti have significantly strengthened its offering, not only around the ESM use case but in supporting digital workspace initiatives.
- Cross-functional workflow automation and digitization are still the standout capabilities that ESM vendors develop their go-to-market efforts around, with adoption commonly being built out from IT teams into the wider enterprise.

Analyzing the enterprise service management universe

How to use this report

Omdia is a proud advocate of the business benefits derived through technology. The Omdia Universe report is not intended to advocate an individual vendor but rather to guide and inform the selection process to ensure all relevant options are considered and evaluated efficiently. The report findings gravitate toward the customer's perspective and likely requirements, characteristically those of a medium-large, multi-national enterprise (of over 5,000 employees). Typically, deployments are considered on a global basis across the financial services, technology, media and telecoms (TMT), and government sectors.

Market definition

Enterprises must remember that any successful enterprise service management (ESM) initiative is reliant on much more than just technology. Technology is however an important element of any initiative, increasingly being used by businesses in optimizing, automating, and better integrating the processes and workflows that employees across multiple different business units interact with. Omdia defines ESM as the use of service management capabilities and practices within IT, but also by other business functions, most notably HR, facilities management, and frontline workers. IT service management (ITSM) capabilities are very much the heritage and foundation of ESM capabilities, but Omdia also feels it important to highlight how ITSM solutions are increasingly delivering value to departments beyond just IT. Consequently, Omdia has identified a set of capabilities (listed below), that support businesses looking to improve process and employee support efficiencies through ESM. Traditional IT service management capabilities are still very much the foundation set of capabilities that ESM solutions are built upon, and as such are foundational to this report. However, in addition to these core capabilities, we also explored some of the more disruptive features commonly associated with ESM.

- **IT service management:** Exploration of the core IT service management capabilities offered by the solutions assessed. ITSM capabilities are a core feature set of any enterprise service management solution, as it is from these features that ESM tools have evolved. Features including incident management, change management, service level management, and problem management are all explored.
- **Operations management:** These capabilities support the health of technology infrastructure and digital services that businesses rely on, enabling monitoring and response to important events. Discovery capabilities that allow businesses to build a picture of the services offered and the

components that help deliver these service ecosystems are important features. Vendor and cloud management capabilities are also considered part of operations management.

- **Service management for security:** Organizational security controls require a combination of people, processes, and technology. For the technological component, organizations rely on a wide variety of security products and services. Service management platforms are increasingly offering features that help businesses better integrate investments in core security capabilities and solutions, in addition to being important in managing security incidents.
- **Resource and project management:** These capabilities explore how service management solutions support business activities in areas including project and work management, cost management, policy management, and application management.
- **Deployment and integrations:** The capabilities that support efficient deployment of the service management solution, in addition to an exploration of the integration features offered.
- **Service management beyond IT:** The custom and native features offered by service management platforms that are applicable to teams beyond just the IT department, such as HR, facilities management, customer service representatives, and other frontline workers.
- **Mobile workspace:** As the world of work changes, businesses must evolve support processes and self-service approaches to better support a more flexible and mobile workforce. Capabilities in this category support admins and employees with better service management experiences when working remotely. Additional features in this category explore self-service, workflow development, service catalog and marketplaces, and digital workspace capabilities that all help improve employee experiences.
- **Reporting and analytics:** The capabilities offered by ESM tools that help businesses measure and report on important service management activities. Performance analytics, process health and status, benchmarking, and report customization are examples of features explored as part of this capability.

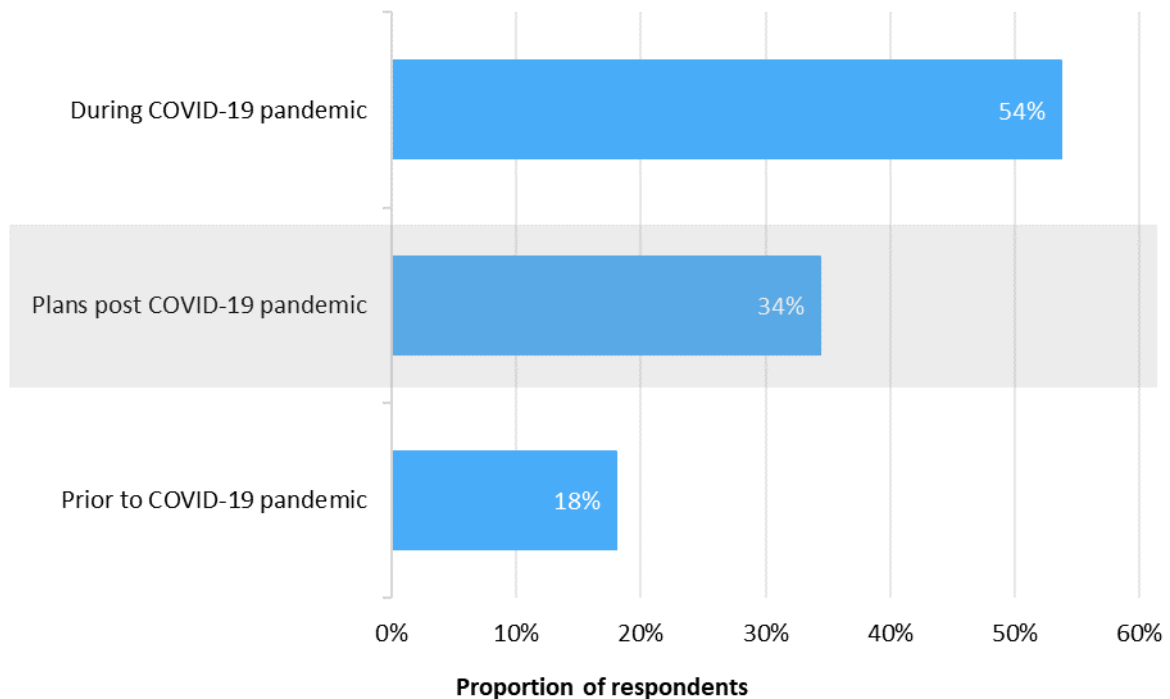
Market dynamics

In terms of impact, the ESM market is somewhat fragmented, with ServiceNow having a huge presence and mindshare among larger enterprises and the mid-market being a traditional battleground for vendors such as Cherwell, EasyVista, Ivanti, and Freshservice. Longtime ITSM vendor BMC (who were invited but chose not to formally take part in this research) has long been ServiceNow's closest rival in the ITSM space, but that dynamic has changed over recent years, with Cherwell and Ivanti garnering attention and interest among the enterprises with which Omdia engages. Ivanti's 2021 acquisition of Cherwell was announced as this report was being developed. This acquisition is interesting, not only as it strengthens Ivanti's broader ESM proposition, making it more attractive from an enterprise perspective, but also because the consolidation provides new opportunities for vendors that focus on the mid-market.

Most go-to-market efforts from ESM vendors are developed around cross-functional workflow automation and digitization, which are still the standout capabilities, and adoption is commonly built out from IT teams into the wider enterprise. At present, the true enterprise-wide value of ESM solutions is not greatly understood by stakeholders beyond IT—which is understandable as the ESM market is relatively nascent. To help maximize and broaden enterprise adoption of their solutions, ESM vendors should strive to deliver market messaging and value propositions based around compelling business outcomes. The pandemic has fundamentally changed not only the locations people work from but the very nature of work for millions of employees across the world. And, for the foreseeable future, this change is permanent. Thus, enabling a remote workforce has become a vital and long-term digital aspiration for businesses (Figure 2).

Figure 2: A more remote and mobile workforce is here to stay

What percentage of your total employees were home-based workers during the COVID-19 pandemic and what percentage will be home-based workers post pandemic?



Note: n=415

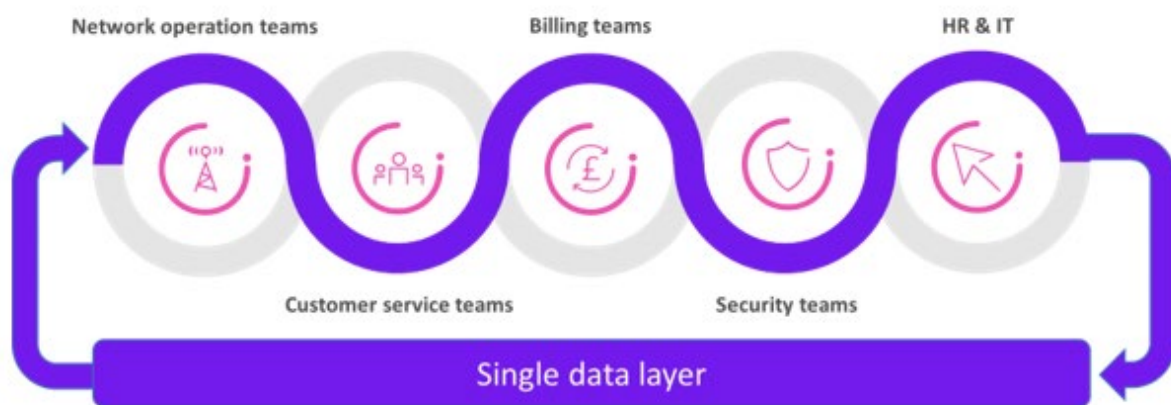
© 2021 Omdia

Source: Omdia Future of Work Survey

As businesses look to optimize operations around new opportunities and challenges, they will have to fundamentally rethink the way work gets done, and ESM solutions have an important role to play. Vendors need to invest and develop capabilities that offer additional value to other business

functions; furthermore, vendors should look to better market and sell their solutions directly into alternate business functions, rather than relying on the IT department as the sole buying center and stakeholder. Automation and digital workflow features, advanced employee support tools such as virtual assistants, low-code capabilities that help improve the speed and ease at which different technologies can be integrated, and the value and benefit of a common data layer that extends across multiple different business functions (Figure 3) are all ESM attributes that have huge appeal to businesses looking to transform and modernize the way people work.

Figure 3: A single underlying data layer across different business units



© 2021 Omdia

Source: Omdia

Another often untapped and under-marketed benefit of having a single and widely adopted ESM platform is in how common skillsets can be formed across the different business units and employees that use it. Specifically, this helps foster greater collaboration, knowledge sharing, and opportunities to innovate and further grow how the platform is used.

Table 1: Vendor rankings in the Enterprise Service Management Universe

| Vendor | Product(s) evaluated |
|--------------------|-----------------------------|
| Leaders | |
| Cherwell | Cherwell Service Management |
| Ivanti | Ivanti Service Manager |
| ServiceNow | ServiceNow Quebec release |
| Challengers | |
| EasyVista | EasyVista Service Manager |
| Freshservice | Freshservice |
| IBM | IBM Control Desk |
| ManageEngine | ServiceDesk Plus |
| Prospects | |
| SysAid | SysAid |

Source: Omdia

© Omdia 2021

Market leaders

Based on Omdia’s criteria and analysis, Cherwell, Ivanti, and ServiceNow are identified as leaders in this report. ServiceNow has huge mindshare and market traction within ITSM, and its strategy to raise appeal among non-IT buyers is proving to be successful. ServiceNow’s growth over the past few years has been very impressive, and its platform of capabilities delivers value not only to IT teams looking to improve infrastructure- and operations-related activities but also to the broader business.

Ivanti’s progression, especially over the past 12 months, has been impressive. The vendor has made numerous acquisitions during this time, strengthening its portfolio considerably. Integrating these capabilities will be the next challenge for Ivanti, but it is certainly in a good position to raise its appeal among enterprise buyers. Cherwell is a very reputable name in the realm of ITSM and offers a compelling set of low-code capabilities, in addition to features aimed at supporting use cases beyond IT. Ivanti acquired Cherwell as this report was being written, and Cherwell’s capabilities will now be integrated into Ivanti’s offering.

Market challengers

Omdia has identified EasyVista, Freshservice, IBM, and ManageEngine as challengers in the space. All of these vendors offer a strong set of ITSM capabilities that are complemented by a range of advanced features that provide value to IT teams and other departments. EasyVista delivers a very capable ITSM offering. Beyond its core service management capabilities, EasyVista also offers more advanced features such as a virtual agent and codeless micro application capabilities, all of which are available via a simple licensing structure.

Through its Neo platform, Freshservice offers an ecosystem and a marketplace that helps businesses integrate third-party applications and connects functions and people across an organization at a workflow level. Additionally, one of Freshservice's key objectives is to deliver capabilities that help improve the way in which employees can self-serve and get the technical support they require.

IBM has a strong heritage of delivering solutions to support enterprise IT, and its Control Desk offering for service management has been a staple of its product portfolio for many years now. IBM's strategy going forward is to deliver capabilities that help enterprises embrace enterprise service management, better manage a multi-cloud environment, and support the rapid delivery of IT and business services. Core to IBM's ESM strategy is the integration of features offered by IBM Control Desk and Maximo; these combined capabilities support organizations in managing digital and physical assets across IT and other lines of business.

In ServiceDesk Plus, ManageEngine offers a solution that helps IT, HR, and facilities management teams better support employees across the business. ServiceDesk Plus was developed with ITSM at its core, but ManageEngine (the IT management division of Zoho Corporation) has built upon this foundation with features that deliver value beyond just the IT department. ManageEngine's service management capabilities would be a good fit for organizations already invested in the Zoho ecosystem, and for mid-sized organizations and some enterprises looking to mature ITSM approaches.

Market prospects

Omdia identified SysAid as a prospect in this report, with the vendor offering a solution that certainly has value to smaller organizations looking to better structure and formalize their IT service management activities. Although SysAid does not have the same market impact or mindshare as some other vendors in the space, it offers a solid foundation of ITSM capabilities on which it can build upon to further elevate its appeal and adoption.

Market outlook

ESM technologies continue to evolve from their IT service management foundation. New capabilities will further broaden the enterprise value offered by these solutions, better empowering IT departments and further enabling other business functions including HR and security, facilities, and customer service teams. The common adoption pattern is still one led by IT departments that, in time, drives the adoption of ESM capabilities in other functions within the business. Increasingly, however, ESM vendors are reporting that other business functions are driving the agenda around ESM adoption. This trend will further accelerate as business functions such as HR and marketing play a more important and prominent role in decisions around enterprise technology selection.

Vertical-specific ESM offerings will be an important driver of growth

Industry-specific use cases also represent an important area of evolution for service management solutions. The process automation and workflow digitization capabilities that ESM tools offer have value across a range of industries and will greatly support businesses that seek to accelerate their digital transformation efforts. The value of industry-specific ESM solutions is in how they can be tailored to the needs and objectives of businesses in different verticals. These solutions help businesses in different verticals more easily understand the value of these tools in a familiar context.

CSPs will become more important partners

Over recent years, CSPs have been on a mission to expand beyond their core value proposition of connectivity and to deliver better customer experiences and outcomes. Along with investments around 5G connectivity and cloud technologies, improving and automating the customer experience has become a core objective of CSP digital transformation journeys. However, delivering optimal and modern customer experiences has proven difficult for CSPs, as siloed business functions and processes that lack integration and automation across different business units present challenges to productivity and efficiency. To overcome this challenge, many CSPs are investing in service management solutions that deliver digital workflow capabilities that help improve customer service activities, service experiences, and customer outcomes in the process.

Delivering impactful customer outcomes requires CSPs to adopt a more integrated approach to service delivery. Process and activities, from the IT back office to the customer service front office, need to be well aligned and integrated if CSPs are to deliver the best customer service and experience possible. But all too often, siloed systems and processes restrict a CSP's ability to work in a truly integrated fashion. Service management solutions can help CSPs break down these silos by integrating data and orchestrating activities across different business functions. This allows service agents and customers to have a single view of issues or service interruptions and the steps taken to resolve them.

Investing in a single service management platform that brings disparate data sources together provides CSPs with an opportunity to retire legacy systems. Additionally, the cross-functional data layer and insights can enable CSPs to automate processes and tasks that extend across different business functions. This speeds up the remediation of customer service issues and can even help CSPs identify and resolve incidents before customer service is impacted.

Service management platforms help CSPs digitize and automate important processes and business workflows, thus improving employee productivity by enabling people to focus on more meaningful tasks. A range of service management platforms also include low-code capabilities that make it easier for employees with no development experience to digitize and automate workflows, therefore helping further optimize the way they work.

ESM solutions can bridge the digital divide between the back and front office

For many years, disconnected systems and working practices have hindered business and IT processes and workflows. One key benefit of ESM technologies and practices is how they help connect organizations and the work that employees do at the process level. By better integrating processes, systems, and the data that is generated and stored across them, ESM tools help businesses improve employee experiences and allow them to rapidly identify and act on new innovative opportunities. Within retail, for example, better connecting frontline employees with back-office teams (e.g., IT) can provide a range of benefits. For instance, technology teams can better understand and act on the opportunities communicated by the frontline workforce. ESM tools enable integration and collaboration, but they can offer much more: the value is in how the processes and workflows that govern how these teams do work can be digitized and automated with ESM solutions.

Over the next few years, a core to the value of service management solutions will be in how they enable businesses to connect different applications and data sources and then allow organizations to

develop workflows and derive insights from across that integrated ecosystem. Enterprises rely on a complex mix of applications and business systems that are deployed and accessed in different ways. ESM helps bring disparate systems and the data housed within them closer together, enabling businesses to deliver a more comprehensive set of reports and build cross-functional workflows that draw upon this data. Additionally, the continued introduction of low/no-code development features makes building these integrations easy for employees, regardless of their technical skills. This allows them to interact with important business data and create apps and workflows to make their work easier.

Vendor analysis

Cherwell (Omdia recommendation: Leader)

Note: Omdia's work with Cherwell on this report began prior Ivanti's acquisition of Cherwell and before its capabilities were formally integrated into Ivanti's ESM offering. The acquisition and integration of Cherwell's capabilities has been considered in the development of the assessment below, most notably in the analysis around opportunities and threats.

As with most vendors in the market, Cherwell's ESM solutions grew from the vendor's IT service management heritage. Cherwell offers strong service management capabilities out of the box in addition to a fully configurable and extensible underlying platform that has no-code workflow development at its core. The native no-code nature of the platform enables employees without extensive development skills to rapidly create, deploy, and administer workflows across multiple lines of business.

Cherwell targets intermediate and, increasingly, advanced maturity organizations across all industries. The typical size of organizations that Cherwell works with are those with more than 1,000 employees, and the largest concentration of its customer base today sits between 3,000 and 10,000 employees, with growing interest from companies with 20,000 or more employees. Cherwell has a strong presence in North America and sells directly and via channel partners across North America, Europe, and Asia and Oceania.

In January 2021, Cherwell was acquired by Ivanti, a vendor that offers its own service management solution. The appeal of Cherwell to Ivanti was undoubtedly the platform's strong capabilities beyond core ITSM along with the strength of Cherwell's no-code architecture. Through successful integration of Cherwell's service management capabilities, Ivanti will deliver a very strong ESM solution that also provides advanced unified endpoint management (UEM) and zero-trust security capabilities.

Figure 4: Omdia Universe ratings - Cherwell



© 2021 Omdia

Source: Omdia

Strengths

Cherwell’s no-code development capabilities are extensive and at the heart of its platform. These no-code capabilities enable employees from across different lines of business to easily develop, configure, and manage elements including dashboards, digital forms, workflows, reports, integrations, and custom applications. Cherwell customers have reported how no-code capabilities have enabled them to move preventative and quality assurance activities to departments such as the service desk, freeing up developer resources for other tasks. The advantage is that users from multiple departments can configure and develop their own applications without being dependent on costly development resources.

No-code capabilities support innovation while reducing complexity and cost by enabling customers to build upon the basic capability offered by the Cherwell Service Management solution to fit their specific business or industry needs. Empowering people with the capability to create workflows, reports, and workspaces that are as relevant as possible to their role and needs is an important value offered by these no-code capabilities.

In addition, Cherwell offers a good set of capabilities beyond the core of traditional ITSM. Cherwell's strength in ESM comes from how it designs capabilities that address the needs of departments besides IT. Beyond HR, however, Cherwell also offers capabilities that customer service, security, and facilities management teams will find useful. Beyond its core ITSM features, Cherwell also offers a strong set of broader service management capabilities. Cherwell has a particular strength in supporting HR use cases with its HR service management (HRSM) module, which combines ITSM and HR into a single solution, helping customers address a technology and information gap in HR systems by supporting request, knowledge, and fulfillment workflows. This capability allows Cherwell customers to resolve a variety of employee requests through the Cherwell HRSM solution, such as onboarding and requesting and managing vacation. Cherwell HRSM also offers other compelling capabilities, including an HR checklist feature designed to help HR organizations track different action items and documents based on employee requests.

Limitations

Cherwell's offering lacks native mobile service management capabilities. Cherwell Service Management's mobility capabilities are not as strong as some competitive offerings on the market. Admins and users can access CSM via mobile devices, but this is through a mobile-optimized web portal and not a native mobile application or portal. This means that support for native integration with mobile features such as push notifications and mobile voice assistants is lacking at present.

In addition, customers would like to see UI improvements. Through our discussions with Cherwell customers, Omdia identified that the vendor's user interface requires improvement. Customers commented that the desktop client in particular has a dated interface.

Opportunities

Note: As this report was being developed, Ivanti acquired Cherwell, and its ESM capabilities are planned for integration into Ivanti's offering. The section below has been written with this integration in mind, hence the reference to the Ivanti ESM portfolio.

Ivanti must position its solution to support a range of different digital objectives, not just ESM. Ivanti Neurons is a feature-rich solution capable of supporting businesses as they pursue a variety of digital objectives. Through its acquisitions of Cherwell, MobileIron, and Pulse Secure, Ivanti now offers capabilities that appeal well beyond the realms of IT service management. In growing its customer base, especially among larger enterprises, Ivanti should market and position its capabilities around broader digital initiatives, such as in digitizing processes and improving employee support. Additionally, Ivanti should look to develop brand awareness outside of the IT stronghold by directly engaging with other line of business stakeholders.

There is also an opportunity for Ivanti to further develop industry-specific solutions. The new and combined capabilities that it now offers have applicability and value to businesses across different industries. Developing vertical-specific solutions that embody technical capabilities and professional

services is a huge opportunity for Ivanti, given the value offered by its combined assets. CSPs, for example, are in the midst of large-scale transformation efforts, specifically around further developing the enterprise services they offer and in improving the customer experiences they deliver. Ivanti's integrated UEM, zero-trust security, and enterprise service management capabilities could be hugely valuable to CSPs, particularly those with disparate solution offerings from separate vendors. This is but one vertical Ivanti should look to; indeed, healthcare, retail, and manufacturing are other markets Ivanti could target.

Threats

ServiceNow has a large market impact and mindshare among enterprises that are exploring workflow automation and ESM capabilities. ServiceNow's presence in this market is strong, as are its ESM capabilities. Ivanti is certainly better placed to compete and even differentiate itself from ServiceNow in some areas with its new capabilities; however, Ivanti will be challenged to grow mindshare in a market that ServiceNow dominated.

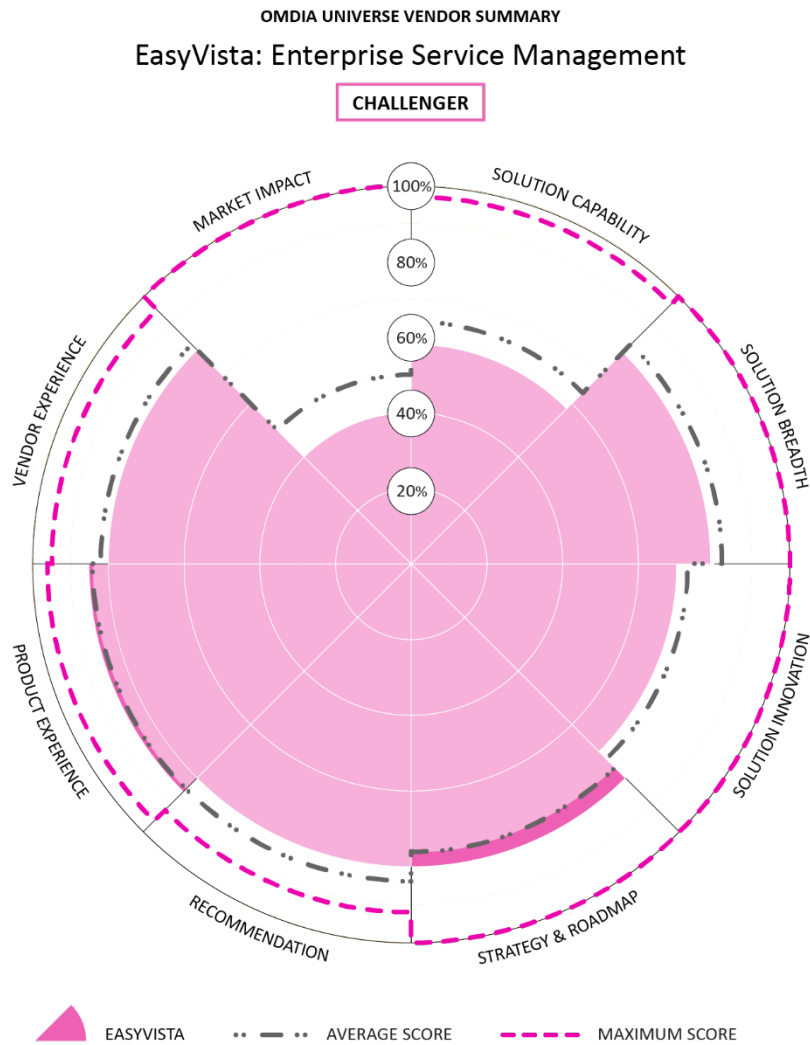
Ivanti must raise interest and traction beyond core ITSM. The vendor will need to invest resources into developing market understanding around the broader value proposition of its offering, particularly with stakeholders outside of IT. Failing to do so will limit Ivanti's ability to grow beyond its core ITSM offering.

EasyVista (Omdia recommendation: Challenger)

EasyVista Service Manager should appear on your shortlist if you are a mid-to-large sized North American or European organization looking to mature your enterprise service management approach as the solution is built on a strong set of core-ITSM capabilities. Service Manager has a good set of features that offer value to teams beyond the IT department, most notably HR and facilities management functions. Beyond core service management capabilities, EasyVista also offers more advanced features such as a virtual agent and codeless micro apps capabilities, all of which are available via a simple licensing structure. EasyVista works with businesses across all industries, primarily with organizations based in North America and Europe, the Middle East, and Africa.

Recent commoditization in the ITSM/ESM market, notably Ivanti's acquisition of Cherwell, certainly provides opportunities for a vendor in EasyVista's position. EasyVista should look to raise its appeal and improve adoption of its solution among mid-market organizations that wish to mature their service management approaches with a capable solution that offers a simple and affordable licensing model. EasyVista advises that the majority of its customers begin their journey with ITSM, and activities undertaken by its customer success team support the progression to ESM. In September 2020, EasyVista received \$150 million in new venture capital investment—funds that EasyVista will use to further broaden its ESM capabilities and strengthen its strategic partnerships.

Figure 5: Omdia Universe ratings - EasyVista



© 2021 Omdia

Source: Omdia

Strengths

EasyVista offers a strong core set of ITSM capabilities. These features enable end users to raise incidents and requests through a variety of channels, including via Microsoft Teams and a native virtual agent, which enables customers to deploy agents across websites, self-service portals, corporate messaging platforms, and enterprise applications such as an ITSM or CRM platform. EasyVista also provides IT administrators with a fully configurable support workspace that includes customizable reports and menus enabling them to organize their work and tasks. It also delivers support swarming features by way of dedicated discussion threads and a dedicated search engine

from which admins can source knowledge and information on incidents and requests to aid management.

In discussions with Omdia, EasyVista customers noted the offering's strengths: the experience in using the tools, and free access to Service Manager features for end users in the company, which helped improve user community interaction in many cases. Encouragingly, the majority of EasyVista customers Omdia spoke with in developing this research currently use the solution beyond ITSM, evidence of the appeal of EasyVista's broader ESM capabilities.

EasyVista's low total cost of ownership (TCO) and lack of complexity leads to quick time to value. Customers cited a low TCO in terms of initial implementation and ongoing use of the solution as being a key benefit. EasyVista offers a quick start implementation program and methodology to help deliver this. This program has been developed to help customers get up and running with any instances as quickly as possible. It also ensures customers are as autonomous as possible in getting the most from the Service Manager solution. Implementations begins with the IT department, who then manages the broader adoption of any capabilities in departments such as HR and facilities management.

Limitations

However, EasyVista customers identify its reporting capabilities as an area the vendor should look to improve. Customers advise that exporting reports is relatively easy but that the process of developing reports is quite complex.

Customers also identify that workflow capabilities for use cases beyond IT could be improved. EasyVista clearly has an ESM strategy to offer functionality beyond the core of traditional ITSM, so it should continue to invest in advancing these capabilities. The vendor currently offers HR and facilities management features by way of templates in Service Manager, in addition to features that support customer service management tasks and activities. Customer feedback shows that EasyVista should continue to improve and develop these ESM features as they are valued, especially around areas such as HR. Specifically, EasyVista should look to deliver more out-of-the-box workflows, reports, and configurations that can better assist HR, facilities, and customer service management teams.

Opportunities

ESM tools are evolving into platforms that bring together and coordinate tasks and activities from across the business and across a broad application estate. EasyVista offers a good set of integrations with vendors including Microsoft and VMware, but it should look to further develop its integration ecosystem and make it as easy as possible for customers to connect different business systems. EasyVista's workflow and micro-app development capabilities will be useful in helping customers build and digitize workflows across a broad range of applications that serve the needs of departments such as IT, HR and beyond.

ITSM mergers and acquisitions mean a new upper mid-market opportunity is emerging for EasyVista. Recent acquisitions and mergers are resulting in commoditization of the ITSM/ESM market. The recent acquisition of Cherwell by Ivanti is notable, as Cherwell has a strong presence in the mid-market. Ivanti's extensive capabilities will allow it to focus on larger enterprises going forward,

resulting in greater upper mid-market opportunities for EasyVista if it keeps its pricing strategy and TCO attractive.

Threats

EasyVista must continue to differentiate itself by developing new capability enhancements that appeal to the upper mid and enterprise market. As new mid-market opportunities open up through commoditization brought about by acquisitions, vendors will intensify their marketing efforts to raise appeal among that segment. The mid-market will become a very competitive segment, especially over the next 18 months. EasyVista must continue to invest in new capability enhancements while ensuring marketing activities and resources are in place to capitalize on the opportunity as it builds a compelling proposition against the competitive backdrop.

Some competitive solutions offer more capable mobile service management features—capabilities that are becoming increasingly important with the rapid shift to mobile work styles. EasyVista enables businesses to build dedicated mobile apps for specific roles or tasks through its Service Apps capability, and several ITSM-related micro-apps are available out of the box. However, EasyVista does not offer a native mobile application but instead provides capabilities such as dashboarding, self-service, and case management via an HTML mobile web app. EasyVista has not gone mobile native with its self-service and admin mobile experiences, largely so that the vendor can quickly implement enhancements without having to go through the update approval process with mobile app stores. This does mean that some benefits of the native mobile experience are lost, such as push mobile notifications, mobile voice agents such as Siri, and advanced mobile workflow capabilities. As mobile becomes a more important driver of interest for businesses, there is a threat that EasyVista may lose out to competitors that provide more advanced mobile features.

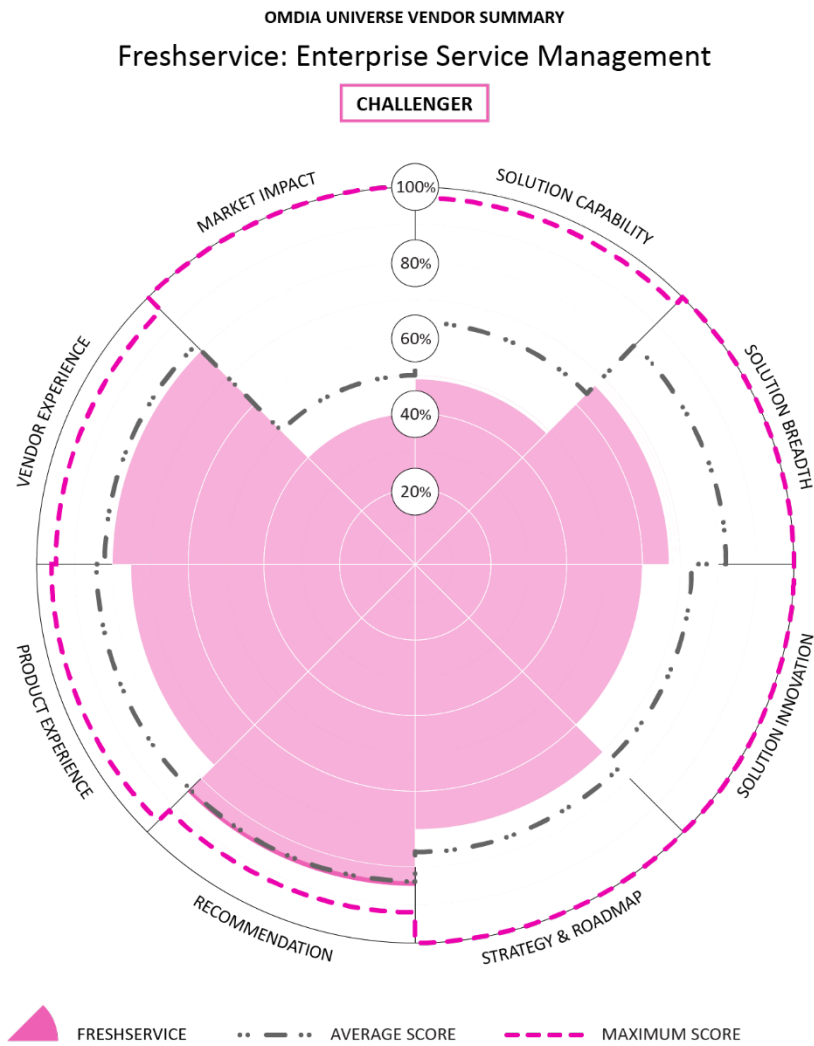
Freshservice (Omdia recommendation: Challenger)

Freshservice should appear on the shortlist of mid-sized enterprises looking for IT service management capabilities to help accelerate digital business initiatives. Freshservice delivers a strong set of core ITSM capabilities that are complemented by features aimed at supporting HR, procurement, and facilities management tasks and activities. As with most ESM solutions, Freshservice is looking to become a valuable partner for organizations looking to implement digital initiatives; this is a core value and key market opportunity for the company. Through its Neo platform, Freshservice offers an ecosystem and marketplace that help businesses integrate third-party applications into an instance and connect functions and people across an organization at a workflow level. Additionally, delivering capabilities that help improve employees' ability to self-serve and get technical support is a key objective.

Freshservice is predominantly adopted by North American and European based organizations with fewer than 1,000 employees. The company reports strong revenue growth for its ESM solution over the last year, a testament to the growing appeal of ESM products in general but also to how new capabilities introduced by Freshservice are resonating with customers, especially IT buyers. Freshservice also reports that adoption of its ESM solution among larger organizations (1,000–5,000 employees) is also growing. Freshservice is a SaaS-only solution that has traditionally taken a direct

approach to market, but the vendor is now building a stronger partner ecosystem to complement its direct route to market.

Figure 6: Omdia Universe ratings - Freshservice



© 2021 Omdia

Source: Omdia

Strengths

Freshservice’s virtual agent and chatbot capabilities can help businesses modernize employee support. Virtual agents are becoming an increasingly important ESM capability, especially as these solutions are evolving to deliver broader support scenarios to employees across multiple departments. The models used by Freshservice’s virtual agent are trained across its customers’

accounts, based predominantly around the ITSM domain. Freshservice's chatbots can understand intent and tell whether an incoming message is a service request, an incident, or a question that can be answered immediately; it can also route incidents and request to appropriate groups when escalation is required. The virtual agent is accessible via solutions such as Microsoft Teams and Slack, allowing employees to get IT help directly in the collaboration tools they frequently use with no need to navigate to another portal. The virtual agent also extends to analytics via an "Ask Freddy" feature, which uses Natural Language Processing algorithms to generate reports when users pose a question. For example, a user could ask, "What is the average resolution time of tickets by agents?" The virtual agent will then automatically generate a report based on the question.

Freshservice offers a compelling set of advanced service management capabilities, including native mobile capabilities and SaaS app management. As employees work in an increasingly mobile and remote fashion, it is important that they have the tools to get support quickly and easily when needed. Mobile support features have become very important over recent years, and providing native mobile applications and capabilities is the most effective way to deliver compelling mobile support experiences. Freshservice offers a native mobile app for Android and iOS built for admins delivering support services and those employees needing support. Via the native app, admins can manage incidents, service requests, and changes, and manage assets via bar code scanning, and receive push notifications. The app also enables employees looking to interact with support functions to browse the service catalog, submit a service request or incident, search and view knowledge solutions, manage approvals, and receive push notifications. Freshservice also offers SaaS application management features that provide IT with better visibility and control over the SaaS apps in use within their environment.

Limitations

Freshservice's IT operations management (ITOM) capabilities could be improved. These capabilities are important as they help businesses build an accurate view of the services they are delivering, the health of these services, and the elements and configuration items upon which these services are built. Freshservice does not currently offer ITOM capabilities that are comparable to some of its competitors in the ESM market. However, the vendor has advised that developing these capabilities is on its immediate roadmap.

Freshservice should also look to further develop its analytics and benchmarking capabilities. Performance analytics capabilities help businesses in understanding where potential business and IT improvements can be made and provide steer and insights around how and why these improvement should be made. Freshservice should consider introducing capabilities that provide businesses with not only historical analytical data but also insights into how and where businesses need to improve in achieving defined objectives. Additionally, offering benchmarking capabilities that enable businesses to compare performance metrics to the norms of industry peers would be useful.

Opportunities

Freshservice would do well to establish new routes to market through service providers. The vast majority of Freshservice's sales are made directly. The vendor does have a healthy partner network, but there is certainly potential for Freshservice to strengthen its go-to-market approach with managed service provider and CSP partners. The appeal of ESM solutions to these types of partners

is increasing as new features position these tools to support business digital transformation objectives, along with efforts around improving employee experiences and in digitizing workflows.

Mid-market IT service management opportunity is growing. For Freshservice, raising its broader enterprise appeal will be key to growth and adoption among mid-to-large sized enterprises. With the recent Ivanti-Cherwell acquisition, the mid-market opportunity for a solution like Freshservice will grow. Freshservice will appeal to this market as it is competitively priced, lacks the complexities of some larger and more feature-rich solutions, and delivers a quick ROI.

Threats

In keeping pace with mid-market competitors, Freshservice will need to strengthen its capabilities beyond its ITSM core. Freshservice offers features to support broader business use cases, including with HR and procurement, by way of templates that are built on the native ITSM capabilities offered by the solution. However, competitive offerings deliver more advanced capabilities around these areas at present. Freshservice should look to further develop its features beyond the core ITSM use cases, building native capabilities that meet the needs of business functions such as HR and facilities management. Freshworks (under which Freshservice is one solution component) launched a new platform called Neo in 2020. This would be an ideal route by which the vendor could deliver capabilities from its existing solutions—including Freshservice and Freshdesk for customer service—alongside new and more advanced ESM capabilities that businesses are increasingly looking to adopt.

Pure SaaS deployment is deterring businesses looking for an on-premise option. Freshservice is currently delivered solely via SaaS. There are businesses, especially in highly regulated industries, that have a need for an on-premises option that Freshservice does not currently offer.

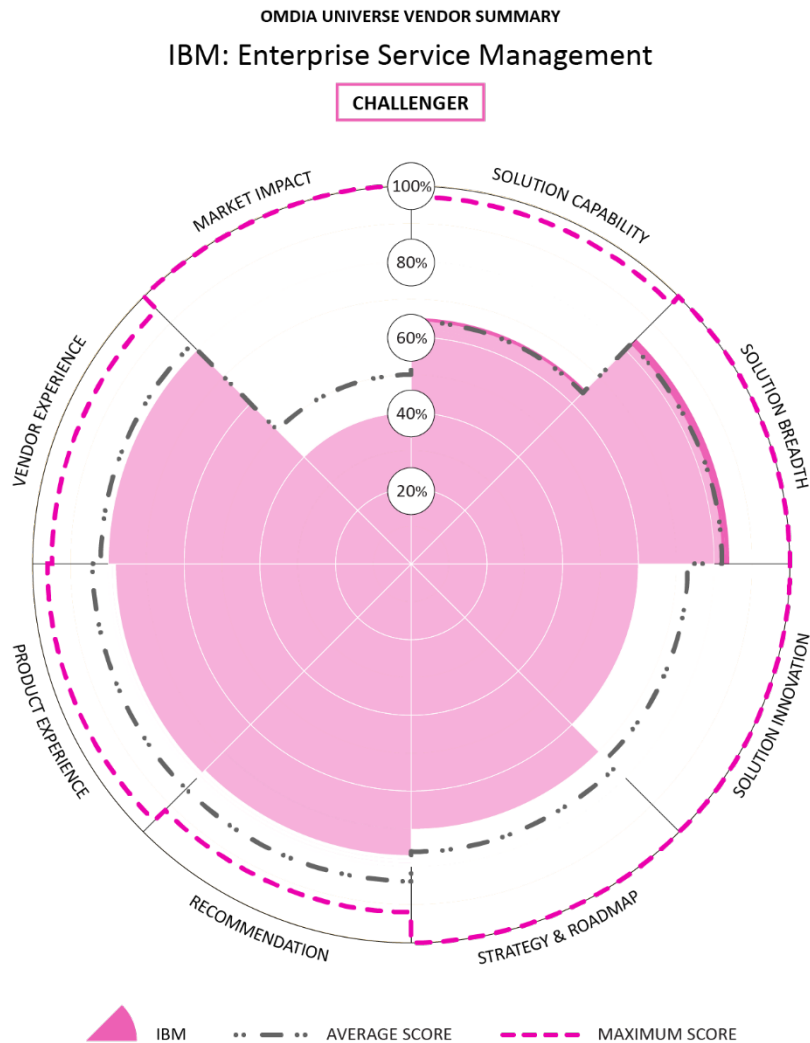
IBM (Omdia recommendation: Challenger)

IBM should appear on the shortlist of organizations already well invested in other solutions from the IBM ecosystem. IBM has a strong heritage of delivering solutions to support enterprise IT, and its Control Desk offering for service management has been a staple of its product portfolio for many years now. IBM's strategy going forward is to deliver capabilities that help enterprises embrace ESM, better manage a multi-cloud environment, and support the delivery of IT and business services at high velocity.

Core to IBM's ESM strategy is in how the vendor is integrating features offered by IBM Control Desk and Maximo. These combined capabilities support organizations to manage digital and physical assets across IT and other lines of business. Increasingly, businesses are connecting enterprise assets to their underlying IT infrastructure, so having a more unified means of managing and gaining visibility into this topology can deliver cost savings and efficiency benefits.

IBM Control Desk has good traction with businesses in North America and Europe, with adoption among larger organizations (over 5,000 employees) being strong. Although IBM Control Desk is sold directly to customers, the solution is predominantly sold through partnerships with communication service providers.

Figure 7: Omdia Universe ratings - IBM



© 2021 Omdia

Source: Omdia

Strengths

One of IBM's strengths is in its AI capabilities: its Watson AI capabilities can be leveraged in various ways by IBM Control Desk, helping improve the user experience for IT admins and end users alike. IBM Watson Virtual Agent makes it possible to harvest information from internal and external knowledge sources then create content and recommendations to aid processes such as incident management and request fulfillment more efficiently. Watson Virtual Agent is a SaaS-deployed offering optimized for use across web and mobile. IBM is also developing integration with Watson AIOps, which can help support teams identify patterns and predict upcoming incidents and will proactively open tickets and automatically undertake defined corrective actions.

IBM's customers also cite its enterprise asset management as a strength. The IBM Control Desk for Maximo solution offers an integrated set of IT and enterprise asset management capabilities. These capabilities enable IBM customers to populate both IT and wider business (digital and physical) asset directories through integration with discovery tools. This provides businesses with unified visibility across the digital and physical asset estate. The integration between the insights IBM Control Desk can deliver on the IT side and the visibility Maximo provides through business assets is a compelling enterprise service management capability. In late 2020, IBM also acquired Instana, a solution that, when integrated, will further improve IBM's native application discovery and observability capabilities across IT and line-of-business (LOB) assets. This unified asset management capability can deliver a range of ESM-related benefits, such as enabling organizations to manage SLAs across IT and LOB business systems.

Limitations

While engaging with customers in our research, they identified Control Desk's user interface as something IBM should look to improve. Simplifying the UI and developing out-of-the-box workspaces and portals geared toward a variety of IT and LOB roles are areas IBM should focus on.

Mobile service management is also a limitation. As employee work styles change and become more flexible, mobility has become a vital item on the digital agenda for organizations. Businesses are looking for capabilities that can help them manage, secure, and better enable the mobile workforce. IBM Control Desk offers mobile capabilities, but its offerings are currently not as strong as some solutions offered by competitors. IBM should look to improve the mobile service experience for both admins and end users.

Opportunities

Industry-specific solutions present an opportunity for IBM. Decision makers in areas outside the IT department have increased influence in the buying process for enterprise technologies, and focus from stakeholders on business outcomes delivered by any new technology is becoming imperative. Some providers of service management solutions are tailoring their offerings to the needs of businesses in specific industries, increasing appeal across multiple verticals. Delivering industry-specific service management solutions is an opportunity for IBM (especially in manufacturing and healthcare), given the solution's strong IT and enterprise asset management capabilities.

IBM could also further develop an integration ecosystem. Offering easy integration options with solutions such as Microsoft Teams and Workplace from Facebook would enable more customers to embed service management workflows and processes within their communication and collaboration tools. IBM currently offers a Slack integration, so offering these additional integration options is an opportunity to broaden the value of this capability to customers invested in these other solutions.

Threats

The competitive landscape for ESM solutions is intensifying. Recent mergers and acquisitions in the service management space have resulted in fewer but more feature-rich solutions becoming available, especially in the mid-to-large enterprise market. IBM will need to continue to invest in its service management capabilities, particularly in features that help businesses achieve important digital themes, such as enabling the digital workspace, digitizing and modernizing processes and workflows, and improving employee experiences.

Numerous brands and solutions embody IBM's complete ESM offering, which could lead to market confusion over the value delivered. While Control Desk is at the heart of IBM's enterprise service management offering, it is supported by a variety of other solutions under different brands including Cognos, Maximo, Watson, and Netcool Operations Insight. IBM has worked to simplify its offerings over recent years, but the different brands involved in delivering ESM could lead to market confusion. Additionally, the structure that governs how the collective solutions are licensed and marketed must be made as simple as possible.

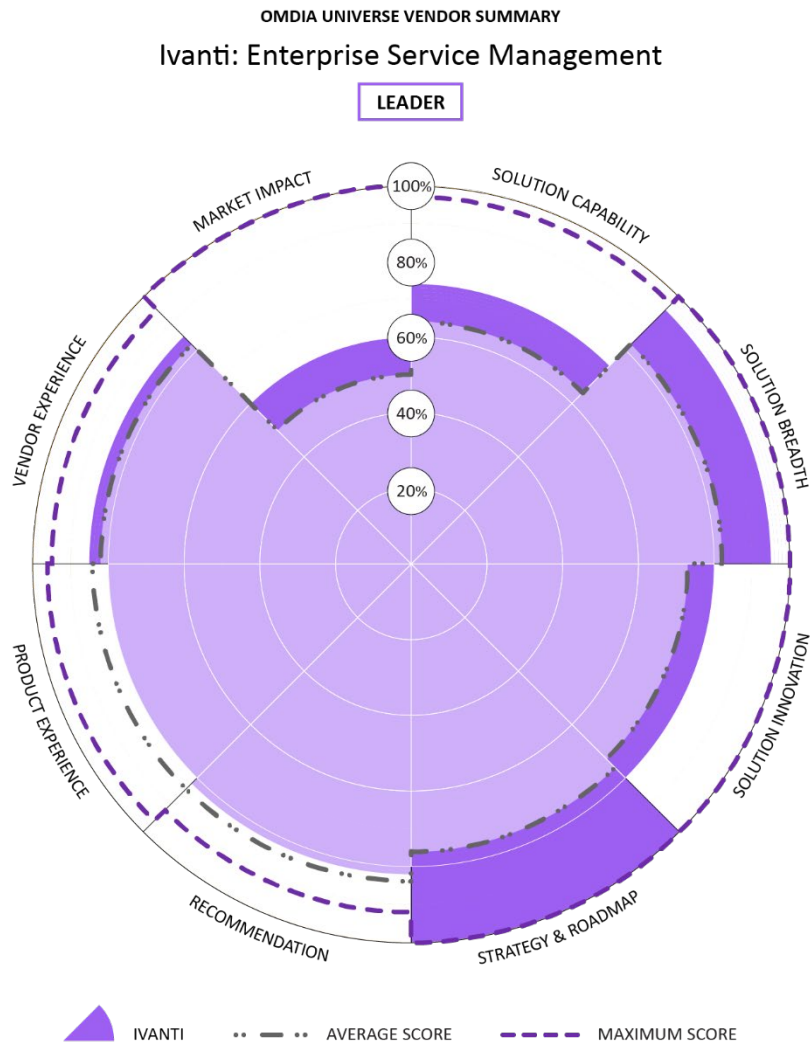
Ivanti (Omdia recommendation: Leader)

Ivanti's combination of strong service management, security, and endpoint management capabilities make it a solution worth shortlisting by enterprises looking to focus on their digital workplace initiatives. Ivanti has made enormous strides in enhancing its portfolio of enterprise solutions over the past 18 months, both through smart acquisitions and via its own product development. Notably, Ivanti acquired market leading unified endpoint management vendor MobileIron, security vendor Pulse Secure, and more recently Cherwell, a service management vendor Ivanti has traditionally competed with. Each of these acquisitions strengthens Ivanti's broader enterprise service management proposition in a unique way, enabling it to support businesses looking to execute future of work strategies and initiatives.

Ivanti has good adoption among larger enterprises in North America, with strong traction in Europe as well. Ivanti's ESM offering has experienced good revenue growth over the last financial year. The majority of Ivanti deployments are still on premises—but only slightly as SaaS options continue to gather momentum. Ivanti offers cloud or on-premises deployments from a multi-tenant platform, allowing customers to transition between cloud and on-premises in line with their requirements.

Ivanti has focused on mid-maturity organizations looking to improve the efficiency and effectiveness of their business and IT service management processes. The vendor has focused (and will continue to focus) on organizations of 1,000–100,000 employees as this is the segments where Ivanti has been most successful and where its offering has the best fit. However, Ivanti's enhanced capabilities will appeal to more mature and large organizations looking to undertake future of work and digital workplace initiatives that embody not only service management, but also workplace mobility and security. From an industry perspective, Ivanti has a strong presence in the government, higher education, and healthcare verticals.

Figure 8: Omdia Universe ratings - Ivanti



© 2021 Omdia

Source: Omdia

Strengths

Ivanti’s combination of UEM, enterprise service management, and security capabilities are a compelling differentiator, especially given the rapid transition to more remote work styles. Through its acquisition of MobileIron in 2020, Ivanti now offers market leading UEM capabilities that help businesses better and more securely manage the diverse set of devices and applications used by an increasingly remote and mobile workforce. As work styles become more hybridized, businesses need new and more modern tools and practices to support them. UEM solutions are a key enabler here, and when richly integrated with service management capabilities, the opportunities further increase, particularly around how support and employee experience can be improved. Ivanti also acquired

Pulse Secure in 2020, bringing on board advanced security capabilities and methodologies, such as a zero-trust security model, which is becoming ever more important as work increasingly takes place away from the traditional office perimeter. Finally, Ivanti's 2021 acquisition of Cherwell, a long-time peer in the realm of service management, will enhance Ivanti's ESM and low/no-code development capabilities. Collectively, and when integrated effectively, these acquired capabilities significantly improve Ivanti's digital workplace offerings and value proposition.

In addition, extensibility of the platform is supporting innovation among Ivanti's customers. ESM solutions that are extensible in supporting not only different business functions but also in enabling customers to easily create new workflows, integrations, and automated actions can be a real enabler of innovation and new business efficiencies. In developing this report, Omdia interviewed multiple customers who praised the ease with which the Ivanti Neurons platform can be customized around specific business needs and use cases. This capability was especially important as businesses looked to quickly adapt to process changes and workplace disruptions brought about by the pandemic. Customers identified the solution's intuitive self-service form development and deployment and its granular, role-based access rights and contextual views as being key strengths that have been very important from an ESM perspective.

Limitations

Ivanti's release cadence and consistency has been an issue for some customers. Customers advise that, historically, new platform releases have not been made on a recognizable or consistent schedule. They would like to see greater formality and consistency around future product releases.

Ivanti could also further improve the mobile user interface for service analysts and users. Customers also report that the mobile UI for users and analysts could be improved, specifically to allow more options for customization across these interfaces. As working increasingly becomes more mobile, ensuring people can work effectively across all endpoints is vital. Additionally, intuitively designed and widely adopted mobile interfaces can have a positive impact on user experience and help strengthen self-service approaches. Ivanti's acquisition and integration of MobileIron will certainly present the vendor with many opportunities around this area, not only in improving its mobile user interfaces, but in more richly integrating mobile technologies and insights into service management and support processes.

Opportunities

Ivanti should look to deliver its service management capabilities via a broader set of cloud providers. Currently, Ivanti Neurons is only available on Amazon Web Services (AWS). To help increase traction and interest among enterprises that are well invested in other cloud service provider ecosystems, Ivanti should look to deliver its capabilities across different cloud provider infrastructures, especially Google Cloud and Microsoft Azure.

Ivanti should also continue to enhance its virtual agent capabilities. Ivanti offers a good virtual agent, but as this capability becomes more important, the vendor should act on the opportunity to further develop its virtual agent's capabilities and integrations. Virtual agents have become a critical enterprise service management capability over recent years, and enhancements such as natural language processing mean virtual agents can increasingly do much more than just basic rule-based actions such as escalating incidents and requests. Increasingly, virtual agent technologies can do

things such as interpret speech patterns and contextualize responses, delivering better service and more dynamic actions. As a result, they are becoming more richly integrated within business processes and other workplace productivity and collaboration tools. Ivanti's virtual agent is only available via Microsoft Teams, so extending its integration to other platforms such as Slack is certainly an opportunity.

Threats

Ivanti faces competitive threats from vendors offering industry-focused solutions. As the capabilities offered by ESM tools continue to increase and offer value to more LOBs, so does the complexity in understanding where and how to effectively apply these capabilities. ESM can support an array of use cases and needs across businesses in different industries. In overcoming this complexity and in better communicating the value of their ESM solutions, some vendors are delivering verticalized offerings that are built for and focus on specific industries. Unlike some of its peers, Ivanti does not currently offer solutions built around the specific needs of industries such as telco, manufacturing, and healthcare. Going forward, and to overcome this competitive threat, Ivanti should consider offering solutions developed for and marketed to specific industries.

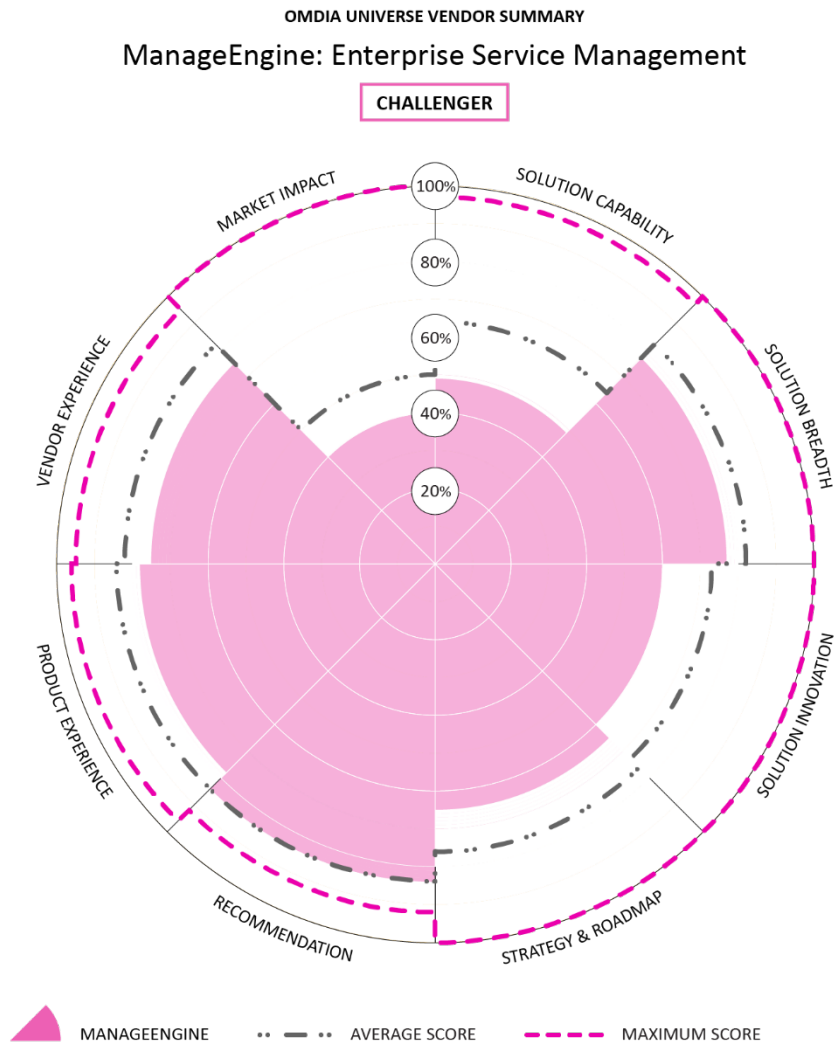
Furthermore, the challenge of integrating new capabilities poses a threat Ivanti's success with its enhanced ESM proposition. One of the biggest challenges any vendor faces post acquiring new capabilities is around how effectively new features can be integrated. The capabilities Ivanti can offer through its acquisitions of MobileIron, Cherwell, and Pulse Secure undoubtedly make its ESM offering one of the most feature rich currently available. However, Ivanti, like any vendor that has acquired new capabilities, is faced with challenges around integration and go-to-market around the enhanced feature set.

ManageEngine (Omdia recommendation: Challenger)

ManageEngine should appear on the shortlist of existing Zoho customers and mid-sized organizations that seek mature service management approaches. In ServiceDesk Plus, ManageEngine offers a solution that helps IT, HR, and facilities management teams better support employees from across the business. ServiceDesk Plus has been developed with ITSM at its core, but ManageEngine (the IT management division of Zoho Corporation) has built upon this ITSM foundation with features that deliver value beyond the IT department

ManageEngine's portfolio of service management capabilities spans traditional ITSM, IT operations management, IT analytics, IT security management, dedicated facilities management and HR templates, and unified endpoint management (UEM) via its Desktop Central solution. An integrated set of UEM capabilities is especially valuable to businesses that wish to overcome the challenges associated with supporting mobile workers. ManageEngine also offers a version of ServiceDesk Plus designed specifically for Managed service providers (MSPs) in addition to a solution built specifically for customer support. ManageEngine offers both on-premises and SaaS versions of its ServiceDesk Plus offering, with the on-premise version currently being the most widely adopted. The solution has good geographical penetration, with strong traction among North American and European customers, but a high percentage of customers are also in Asia and Oceania.

Figure 9: Omdia Universe ratings - ManageEngine



© 2021 Omdia

Source: Omdia

Strengths

ManageEngine provides a good set of ITSM features that are complemented by more advanced capabilities, including unified endpoint management. Through ServiceDesk Plus and ManageEngine’s broader set of IT management capabilities, customers can leverage a diverse range of traditional IT-centric capabilities, in addition to an emerging set of features aimed at HR and facilities management teams, all available via a simple licensing model. Additionally, the integrated set of ManageEngine solutions provides capabilities such as Desktop Central for UEM that support customers in managing and supporting a more mobile workforce. ManageEngine also offers strong

analytics capabilities that can extend across the different service management capabilities, empowering customers to easily derive insights across different solutions.

ManageEngine also delivers a solution dedicated to the needs of managed service providers in ServiceDesk Plus MSP. This is a positive step from the vendor as MSPs are increasingly utilizing service management solutions to help improve their digital services and customer interactions. Offering service management solutions that are tailored to different use cases and verticals is something ManageEngine should continue to explore and invest in. MSPs and CSPs are increasingly turning to service management solutions to help improve service delivery and service management practices, so it is positive that ManageEngine has recognized and is beginning to support this need. Although the ServiceDesk Plus MSP offering is currently more geared toward managed service providers, ManageEngine should also look to further invest in the verticalization of its capabilities, particularly around CSP and healthcare use cases

Limitations

ManageEngine should look to further improve the out-of-the-box integrations ServiceDesk Plus has with third-party tools. Increasingly, one of the most important capabilities offered by service management solutions is in how they enable businesses to orchestrate and automate the tasks and activities employees undertake across multiple applications. To do this, integrating a service management solution with a range of third-party applications needs to be easy and intuitive. Although it is possible to integrate third-party solutions with ServiceDesk Plus at present, this is mostly done via a complex API integration method. ManageEngine is working on making this process easier through building more out-of-the-box actions and integrations with third-party tools and making these connections more easily consumable by customers via a dedicated marketplace.

ManageEngine should also look to further develop capabilities beyond ITSM. ServiceDesk Plus currently offers HR and facilities management capabilities via dedicated templates (as opposed to these features being available through distinct modules or solutions, as with some competitive offerings). A customer can select these templates when creating a ServiceDesk Plus instance, which essentially creates a tailored instance with terminology and case management capabilities geared toward HR and facilities management teams. Traditional ITSM and IT use-cases are still very much at the core of ServiceDesk Plus here. The HR and facilities templates ManageEngine currently offers are a good start to extending service management practices and capabilities into the wider business, but the company will need to further develop these capabilities to better compete with some of its peers in the ESM space. Specifically, ManageEngine should look to further develop out-of-the-box workspaces and an extensive range of dedicated workflows for HR and facilities management teams, organization charting capability and employee task management features, and dedicated employee mobile experiences and push notifications. Additionally, creating rich, out-of-the-box integrations with dedicated HR solutions, such as Workday, would be another enhancement to explore.

Opportunities

ManageEngine's IT management solutions are quite diverse and serve the needs of multiple IT stakeholders, and the vendor should look to develop these capabilities into a more unified and robust platform offering. Currently, the service management proposition is composed of different but complementary point products. ManageEngine currently delivers additional capabilities that help integrate tasks and activities across the different solutions, such as with Zia (Zoho Intelligent

Assistant), and in how insights delivered via the UEM solution can enrich incident records. However, a platform approach would better support a more diverse range of IT and business use cases, as well as the opportunity for more first-party and third-party integrations across all solutions offered. It could also open the door to more cohesive cross-functional development and workflow digitization capabilities.

ManageEngine should also consider expanding Zia intelligent agent use cases. Zia is ManageEngine's AI capability, which was designed to make IT support easier and more seamless by providing a new and automated channel from which requests and incidents can be raised. Zia is currently optimized around the ITSM use case. There is an opportunity for ManageEngine to further tailor the capabilities around use cases associated with other business units, most notably for HR personnel and the requests they need to manage. Encouragingly, ManageEngine is actively looking to extend the value of Zia in addressing additional use cases such as this.

Threats

However, UEM is not the differentiator it once was for ManageEngine. For some time, ManageEngine has offered UEM capabilities as part of its IT management offerings via its Desktop Central solution. The UEM capabilities enable businesses to manage and secure the broad set of mobile and traditional devices that employees are increasingly using. From an ESM perspective, these native UEM features have helped ManageEngine stand out in the past. However, other vendors in the ESM space have invested in and/or launched these capabilities recently, meaning this is not the differentiator it once was for ManageEngine. Still, managing and automating tasks and workflows for the mobile workforce has become increasingly important with the shift to more remote and hybrid work styles. With this in mind, ManageEngine should continue to look for ways in which integration between Desktop Central and ServiceDesk Plus can be improved for those who deliver and support business services and the employees consuming these services.

ESM is very competitive across the mid-to-large sized market. A wider threat ServiceDesk Plus faces is that of the increasing competitiveness of the ESM market and the growing maturity of other solutions in this space. ManageEngine is competing with a broad set of vendors that offer very capable solutions aimed at both enterprises and the mid-market. Some of ManageEngine's competitors offer more feature-rich ESM solutions, so the vendor must continue to invest in new capabilities aimed at empowering IT and beyond.

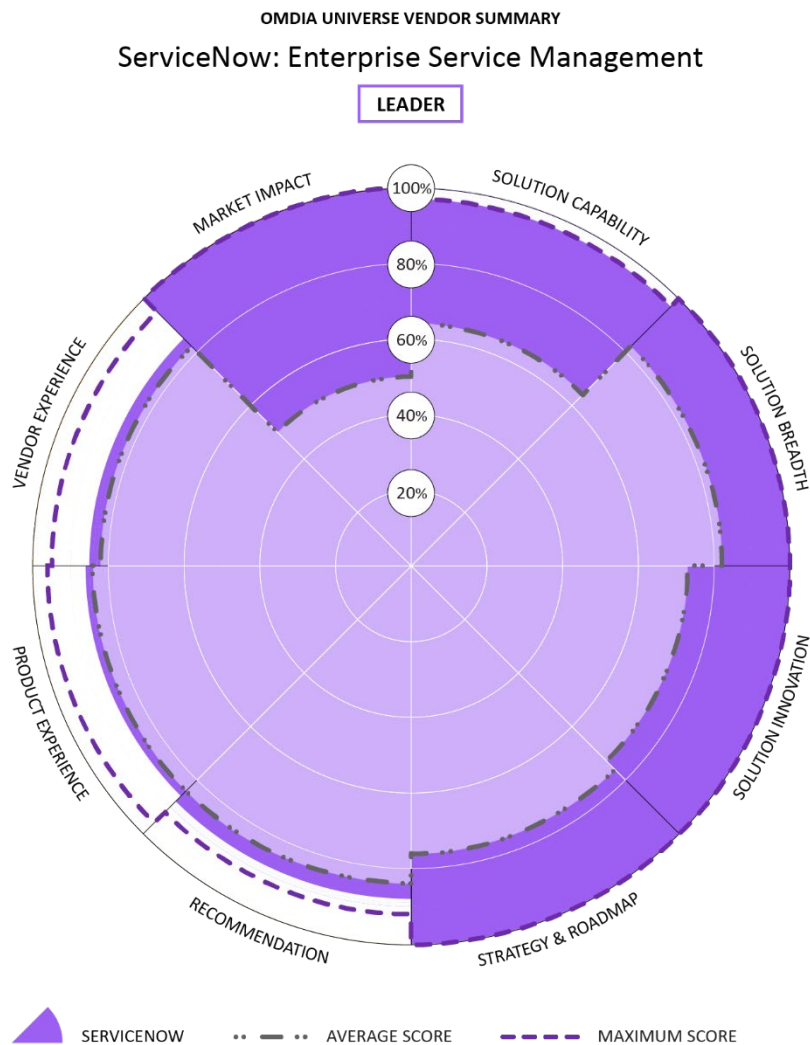
ServiceNow (Omdia recommendation: Leader)

ServiceNow should appear on the shortlist of organizations looking to better connect and integrate systems, processes, and people across the entire enterprise. Although ServiceNow established its enterprise footprint by way of ITSM, the vendor continues to execute its strategy to extend the reach and appeal of its platform beyond the realm of IT. Businesses should not view ServiceNow as solely an IT tool. Rather, the platform has evolved into an enterprise solution that helps businesses transform and digitize workflows and processes across a range of business functions, including IT, HR, finance, and customer service teams. The core value of the Now Platform is in how it enables organizations to modernize (automate and digitize) and integrate the legacy systems and workflows businesses and employees rely on, transforming the customer and employee experience along the

way. As business efforts to better connect and digitize work increase, the value and appeal of the Now platform is sure to increase.

ServiceNow offers a very capable set of features that appeals to a variety of business units. Given the broad scope of ServiceNow’s capabilities, the vendor increasingly competes not only with other service management vendors, but with a range of providers across enterprise technology categories. The vendor has a sizeable market impact and had revenue of \$4.3 billion in 2020. The majority of ServiceNow’s over 7,000 global customers are based in North America, but traction in Europe and Asia and Oceania is also strong, with growth occurring across all regions.

Figure 10: Omdia Universe ratings - ServiceNow



© 2021 Omdia

Source: Omdia

Strengths

ServiceNow delivers a broad and strong set of features that are capable of enabling different functions across the enterprise. Although ServiceNow's heritage is in ITSM, the company has grown well beyond its core IT roots and now offers a broad and diverse set of capabilities that help multiple business functions better digitize, integrate, and automate work. The capabilities offered by ServiceNow in supporting teams such as HR, customer services, finance, and IT are strong in their own right, but the real value comes in how the Now platform allows businesses to work with a single workflow engine and data layer across different business functions. As work styles change and become more hybridized, it is not only people that must become better connected—the work they undertake must also become better integrated and automated where possible. The ServiceNow platform can support businesses that wish to break down departmental silos by being the single platform across which many key tasks and activities can be managed and optimized.

ServiceNow also has a strong industry focus. Businesses across different industries share some common digital transformation objectives, but the path to successfully execute against these opportunities can be very different across verticals. Tailoring technology to the specific needs of businesses in different industries can help communicate the value of any solutions and accelerate time to value for the customer. To better cater to customers across different verticals, ServiceNow has developed solutions aimed at the specific needs and use cases of businesses in various industries. ServiceNow currently offers two dedicated industry solutions, with more to be released in the future. ServiceNow Financial Services Operations allows financial services institutions to securely automate core operational processes through pre-built digital applications and workflows. ServiceNow also offers a solution built for CSPs called Telecommunications Service Management. This offering connects the entire telecom operation, helping improve network management and customer service activities. CSPs have found the eBonding feature especially valuable as it enables CSPs to integrate their ServiceNow instance with the ServiceNow instances of their enterprise customers.

Limitations

However, some ServiceNow customers report a high level of complexity associated with ServiceNow licensing, and note that pricing across some ServiceNow modules can be quite high. A deterrent for some customers is in how HR licensing is currently based on an end-user model as opposed to the fulfiller model adopted across the IT, facility management, and finance offerings. It is worth noting, however, that the end-user licensing approach is common among other purpose-built HR service delivery solutions that ServiceNow competes against in this market.

The vast amount of product offerings across the ServiceNow portfolio can be confusing. As ServiceNow has scaled and expanded its capabilities into new areas, its ecosystem of products has become more complicated. Rationalization would be welcome and help ServiceNow's go-to-market efforts, in addition to reducing confusion among new and existing customers. ServiceNow does recognize that its multi-product approach can be a lot for customers to consume at once, so the vendor continues to make efforts to organize its offerings into market segments, personas, and use cases to help buyers select what is most important to them.

Opportunities

Self-healing capabilities would be a great complement to what ServiceNow currently offers. Automation is at the core of the ServiceNow offering, and the platform's capabilities here are certainly very strong. A new category of incident automation capabilities has emerged over recent years and is likely to be within ServiceNow's purview. These self-healing capabilities perfectly complement ServiceNow's offering around incident and case management as they leverage telemetry data to identify, diagnose, and resolve incidents automatically—often before users become aware of them.

ServiceNow's security capabilities present an opportunity to grow interest in and adoption of the broader platform, especially given the high priority enterprises place on security. Security has been business priority for some time, but the recent mass shift to more flexible work styles has increased its importance. ServiceNow offers a Security Operations product that helps businesses collate incident data from numerous security tools into a structured response engine that—like other ServiceNow capabilities—uses intelligent workflows, automation, and integration with IT to help businesses manage and resolve security threats. There is an opportunity for ServiceNow to become an important piece of the enterprise security puzzle, thus improving the vendor's perception, increasing the value of the platform, and enhancing the solution's relevance to a broader set of enterprise stakeholders.

Threats

A potential threat to ServiceNow is that Salesforce is starting to get serious about service management. In 2020, Salesforce announced a new partnership with Tanium, a vendor with expertise in UEM and security. Although no finalized details have been released on what the combined offering will look like, the focus appears to be very much around service management and employee support. Although Salesforce is no stranger to service management, this partnership signals clear intent from the vendor to play more seriously in a market that ServiceNow currently dominates. It is still too early to tell how much of an impact this partnership and eventual offering will have on ServiceNow's market share, but given the combined resources and capabilities of Salesforce and Tanium, it is certainly a development that ServiceNow will need to monitor closely.

ServiceNow should also look at a go-to-market approach beyond IT. As discussed, the ServiceNow platform offers a broad variety of capabilities that serve many use cases within IT and other departmental functions. Given ServiceNow's broad value, multiple use cases, and recognition as an ITSM vendor, ServiceNow must continue to amplify the promotion of its Now platform beyond the confines of the IT department. Failing to do this effectively will threaten ServiceNow's growth opportunities in these alternative business functions.

SysAid (Omdia recommendation: Prospect)

SysAid should be shortlisted by small-to-mid sized organizations looking to formalize their IT service management approaches. SysAid offers cloud and on-premises ITSM solutions. The company also offers a solution developed specifically for managed service providers. SysAid delivers a strong set of core ITSM features that help organizations looking to improve their technical support practices. The solution also offers good orchestration and asset management capabilities, in addition to a marketplace of add-ons and third-party integrations that further extend the solution's capabilities.

Beyond the ITSM core, SysAid offers a basic HR service delivery solution that provides workflow, automation, asset management, and ticketing capabilities in line with HR use cases. Organizations across various industries use SysAid's asset management capabilities in support of IT and non-IT scenarios. Healthcare organizations, for example, can track and be alerted to issues with medical devices that are connected to the network. Manufacturing organizations can do the same with production assets or equipment.

SysAid does not have the same market impact or mindshare as some other vendors in the space, but it has a solid foundation of ITSM capabilities on which it can build to further elevate its appeal and adoption with mid-market organizations.

Figure 11: Omdia Universe ratings - SysAid



© 2021 Omdia

Source: Omdia

Strengths

Ticketing capabilities for incidents and requests are valuable to IT teams and beyond. Extending SysAid’s ticketing capabilities in support of case management and service request activities to other areas of the business is a capability that customers value. Within HR, for example, SysAid customers can leverage the request management features to make the process of onboarding and offboarding employees easier. SysAid enables HR teams to manage the associated HR workflow in helping track tasks and activities, in addition to helping HR meet audit and regulatory requirements.

SysAid also provides integrated help desk and asset management capabilities. Customers report that having visibility into assets and the capability to manage them is a valuable feature, particularly in

how this helps improve other support processes such as incident management. Although SysAid's asset management capabilities are not a differentiator, making them available as part of the base SysAid product is something customers identify as a strength, especially as this capability can deliver insight around the devices that employees use.

Limitations

SysAid customers report that the admin user interface could be improved, both across the traditional desktop and Android mobile use cases. The mobile interface on Android is currently a web app and not a native application; however, for iOS there is a native mobile offering. Customers also advise that the desktop interface is outdated and could be more intuitive.

Additionally, SysAid's reporting capabilities are not as strong as those of some competitive offerings. While customers noted that basic reporting is good, they also advise that SysAid does not offer some of the more advanced reporting features they would like to see. Improving and making the report module more flexible to allow for better creation of new reports, being able to reference more data from service records as part of reports, and delivering reports that provide business intelligence insights are areas for potential improvement.

Opportunities

Consolidation in the ITSM market presents a new opportunity for SysAid. Although SysAid is not as widely recognized as some of its peers in the service management space, recent consolidation in the ITSM market provides the company an opportunity to grow its market traction and mindshare among more upper mid-sized organizations. However, this is an opportunity that other vendors will also want to take advantage of, so SysAid must also look to build compelling differentiators into its product.

SysAid could look to further enhance its capabilities beyond the core of ITSM. Some SysAid customers are using the solution to enable business units beyond the IT department, with HR being a good example. An opportunity for SysAid is to continue growing and developing new capabilities aimed specifically at other business units.

Threats

The ITSM mid-market is becoming more competitive. SysAid's primary appeal and adoption is currently with small-to-mid market organizations. This market is a competitive one, with multiple vendors providing feature-rich solutions that serve the needs of IT teams and beyond. SysAid is not as feature-rich as some rival solutions, so the vendor must continue to develop and introduce new capabilities that will help raise the appeal of its offering within IT and beyond.

SysAid will need to improve awareness of its offering or risk being overlooked by potential buyers. The vendor does not have the same market presence or mindshare among IT and LOB buyers when compared to some of its competitors. SysAid should look to strengthen its profile and build more awareness of its solution.

Honorable mentions

Salesforce

In early 2021, Salesforce announced a variety of new Work.com capabilities aimed squarely at helping enterprises deliver better employee experiences. The most notable of these capabilities is its IT Service Center (ITSC), an ESM product that is part of the broader Work.com employee experience platform. Salesforce's formal move into ESM is significant given the vendor's heritage but also smart given the huge opportunity that exists for service management solutions to better integrate the front and back office, digitize business workflows, and help improve employee experiences.

Work.com is a solution launched by Salesforce in 2020 that is evolving into a comprehensive employee experience platform built to empower HR and IT teams and beyond. Salesforce has announced two new solutions—Employee Concierge and IT Service Center—that significantly enhance the platform, broadening the use cases it supports and increasing its enterprise value proposition. Employee Concierge is a self-service help desk tool that uses knowledge articles and AI-powered recommendations to help employees find answers to questions and issues. IT Service Center is an IT support solution that Salesforce has developed in partnership with Tanium. This solution supports IT teams with capabilities to help resolve issues across different devices and channels and provides workflow automation—a core Salesforce platform capability. Salesforce's objective with this solution is to provide IT teams with capabilities that allow them to support and deliver better employee experiences.

The partnership with Tanium (announced in 2020) is a fundamental component of this new proposition. Tanium delivers visibility and management controls at scale into the endpoints that employees rely on. The integrated endpoint management capabilities delivered through the Tanium partnership, coupled with the people data and case management technologies Salesforce brings, provides IT teams with a comprehensive view into the apps and devices being used by employees—insights that are invaluable in remediating incidents and employee issues.

These new capabilities undoubtedly put Salesforce in greater competition with ServiceNow. ServiceNow has its heritage in delivering IT-focused back-office solutions but has made great progress over recent years by introducing new capabilities that support other business functions. Salesforce's trajectory is slightly different in that the vendor is building on its customer service and front-office heritage and looks to strengthen its appeal with the back office. To that end, Salesforce hopes IT service center will help it achieve this goal. Its objective is to deliver an enterprise-wide platform that helps enterprises better digitize, orchestrate, and automate processes and workflows that extend across multiple different business units. This type of capability and rich integration benefits service delivery in many ways, such as by making remediation and provisioning tasks quicker to execute, which in turn improves employee satisfaction and productivity.

It is still early days, and Salesforce has a long way to go in reaching a significant level of feature parity with ServiceNow around areas such as IT operations management. However, Salesforce's intent to make an impact in this market is clear, and the vendor's formal move into service management is one of the most significant things to happen in this area for some time. Salesforce's service management roadmap is encouraging as it shows an intent from Salesforce to offer more capabilities that will support IT operations teams. The vendor's focus and go-to-market messaging around employee experience is also important, especially as enterprises are increasingly looking for solutions that can help them understand, measure, and influence workplace experiences.

Given the maturity of the ITSM/ESM market and the strength of solutions such as ServiceNow, Salesforce faces a challenge in taking significant market share. That said, Salesforce's resources, its strong brand, and adoption among enterprises, along with the integration and extensibility options available via its platform, mean that Salesforce is well positioned to execute against its vision and to establish itself in the service management market.

BMC Software

Omdia invited BMC Technologies to formally participate in this research, but the vendor declined to take part. The analysis below has been developed based on publicly available information, analyst insights, and feedback from BMC's customer base sourced directly via TrustRadius and Informa Tech audiences. In the ITSM and employee support comparative reports Omdia has previously published, BMC was recognized as a leader in those areas, and our subsequent research in developing this report showed BMC and its Helix solution remains a compelling option for businesses looking to adopt enterprise service management capabilities. Recent developments and consolidation in the market mean that BMC will face new competitive threats from the likes of Ivanti and potentially Salesforce, so the vendor must continue to invest in bringing new capabilities to the market.

BMC Software offers a range of capabilities under the Helix brand that serve the needs of IT departments and other business functions. BMC Helix ITSM is the company's service management solution; it delivers many of the core capabilities assessed as part of this Omdia Universe report. The solution also delivers a compelling set of more advanced features, including multi-cloud management, persona-based user experiences, and deployment via any type of public cloud.

The core ITSM offering is complemented by other SaaS-based solutions in BMC's portfolio that support organizations as they extend service management practices beyond IT and into the wider business. For example, BMC Helix Digital Workplace supports businesses looking to deliver modern and mobile self-service solutions. This product includes a chatbot that uses natural language to understand and automatically manage service incidents and requests, as well as provide a unified service catalog and a single, mobile-first portal where employees can access knowledge and services. Service discovery and monitoring capabilities are also available via BMC. Outside of the IT department, BMC offers a Business Workflow solution that supports HR teams in developing, managing, and automating workflows and processes, such as recruitment and employee onboarding.

BMC Software continues to maintain its strong ITSM heritage as it once dominated the market with its Remedy product. BMC still has good market recognition and offers a strong set of capabilities,

especially around the core ITSM use case. Although some of BMC's competitors are investing heavily in capabilities that add value outside the IT buying center, BMC's core focus remains squarely on ITSM and IT operations. However, the vendor offers a good set of capabilities that have value to other lines of business, most notably with HR. BMC also offers a good set of mobile and self-service capabilities to help businesses improve employee experiences.

Methodology

Omdia Universe

- Omdia creates a matrix of capabilities, attributes, and features that it considers to be important for the market now and in the next 12–18 months.
- Analysts invite vendors to share insights around how their solutions align with the capabilities being assessed, supplementing these vendor insights with other information obtained from industry events and via solution resources.
- Analysts derive insights on the customer experience with each solution through reviews and ratings on TrustRadius along with review sourced directly from enterprises using the respective solutions.
- The Universe is peer reviewed by other Omdia analysts before being proofread by a team of dedicated editors.

Omdia ratings

The scoring for the Universe is performed by independent analysts against a common maturity model, and the average score for each subcategory and dimension is calculated. The overall position is based on the weighted average score, where each subcategory in a dimension is allocated a significance weighting based on the analyst's assessment of its relative significance in the selection criteria:

- **Market Leader:** This category represents the leading solutions that Omdia believes are worthy of a place on most technology selection shortlists. The vendor has established a commanding market position with a product that is widely accepted as best of breed.
- **Market Challenger:** The vendors in this category have a solid market positioning and are selling and marketing the product well. The products offer competitive functionality and a good price-performance proposition and should be considered as part of the technology selection.
- **Market Prospect:** The solutions in this category provide the core functionality needed but either lack some advanced features or suffer from low market impact and/or recognition.

Inclusion criteria

In this Omdia Universe, we were keen to explore capabilities beyond the core and foundation of ITSM. While we recognize that ITSM is still very much the foundation of these solutions, we also explored the features offered that have value beyond ITSM and traditional IT use cases. It was therefore important that participating vendors offered capabilities beyond the core of ITSM.

Additionally, vendors needed to have a global presence with customers in at least three regions: Asia and Oceania, Europe, the Middle East, and Africa, and North America. We invited solutions that had an estimated or actual revenue associated with the solution of \$30 million or above to participate in this research. The solution also needed to offer capabilities in at least six of the eight categories explored as part of the report, and Omdia must have experienced client demand (via briefing requests or formal requests for information) for details relating to the solution in question.

Appendix

Author

Adam Holtby, Principal Analyst, Digital Workplace

askananalyst@omdia.com

Citation policy

Request external citation and usage of Omdia research and data via citations@omdia.com.

Omdia consulting

We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Omdia's consulting team may be able to help you. For more information about Omdia's consulting capabilities, please contact us directly at consulting@omdia.com.

Copyright notice and disclaimer

The Omdia research, data and information referenced herein (the "Omdia Materials") are the copyrighted property of Informa Tech and its subsidiaries or affiliates (together "Informa Tech") and represent data, research, opinions or viewpoints published by Informa Tech, and are not representations of fact.

The Omdia Materials reflect information and opinions from the original publication date and not from the date of this document. The information and opinions expressed in the Omdia Materials are subject to change without notice and Informa Tech does not have any duty or responsibility to update the Omdia Materials or this publication as a result.

Omdia Materials are delivered on an "as-is" and "as-available" basis. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in Omdia Materials.

To the maximum extent permitted by law, Informa Tech and its affiliates, officers, directors, employees and agents, disclaim any liability (including, without limitation, any liability arising from fault or negligence) as to the accuracy or completeness or use of the Omdia Materials. Informa Tech will not, under any circumstance whatsoever, be liable for any trading, investment, commercial or other decisions based on or made in reliance of the Omdia Materials.

CONTACT US

omdia.com

askananalyst@omdia.com