Enterprise Service Management – Tools and Services

Germany 2021

Quadrant Report

A research report comparing provider strengths, challenges and competitive differentiators

Customized report courtesy of:

March 2021

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The market research and analysis data presented in this report includes research information from the ISG Provider Lens™ program as well as from ongoing ISG research programs, discussions with ISG Advisors, briefings with service providers, and analysis of publicly available market information from a variety of sources. The data compiled in this report is based on information last updated in March 2021. Interim mergers and acquisitions and related changes are not included in this report.

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ISG Provider Lens™

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EXECUTIVE SUMMARY

Service Management is a Necessity

With the introduction of ITIL® V4, IT began to expand the more operationally oriented process landscape with commercial processes. The aim was to expand the scope of IT cost control through greater integration and automation of non-technical functions. The emergency numbers that were previously operated as a "Hotline", were increasingly expanded into customer portals which, in addition to classic IT services, also offered initial, cross-organizational solutions. IT increasingly saw itself as a service provider that responded to customer wishes as a consultant and solution provider. IT benefited from the experience gained as a result of the ongoing cost pressure on the design and provision of IT services, demonstrating success particularly in the areas in which there was a growing need to deal with incidents (or "Case Management"). Prominent examples in this case are human resources (HR) and parts of facility management. Companies found support from providers of helpdesk management and IT management software solutions that supported non-IT organizational processes through marginal expansion of their ticket systems. The term "Enterprise Service Management" was thus established.

At the same time, for about two years now, the global digitalization trend has led business units in Germany-based companies to increasingly harness the benefits of new technologies to find a competitive advantage. Products have become services, and use is more important than ownership. With these changes, service to the customer has taken centerstage, and with competition increasingly focused on improving customer experience. While developing the necessary customer portals, IT primarily had to be involved in making them available. Within the scope of these jointly conducted projects, IT was also able to establish itself as a partner in business areas, and thus, further advance the management of cross-company solutions.

At present, process integration and provision of broad, highly integrative, and cross-organizational system platforms are well advanced in many cases. At the same time, customer portals in many companies make no distinction between internal and external customers, continue to evolve, with growth in the functionality of software systems for managing what are known as "Enterprise Services". Readymade solutions are now available for a wide range of business processes and integrations with enterprise applications, for example, in the enterprise resource planning (ERP) environment.

This is also visible in an overview of the current market figures. The latest edition of the regularly published ISG Index™ shows growth of more than 6 percent, in 2020, in the IT services sector in EMEA ('Managed Services). The German market has a large contribution in this growth.

The market considered in this study, with its high automation potential, will see a greater demand in 2021. Several market studies show topics such as process automation through artificial intelligence (AI), robotic process automation (RPA) or big data analytics as the trend topics for 2021. However, it is also true that digitalization in Germany is currently at the nascent stage.

The Covid-19 pandemic has demonstrated the importance of an overarching and integrated process landscape for companies. The forced migration to working predominantly from home, as well as the closing of many businesses, have dramatically demonstrated the need for customer portals, whether internal or external. The lockdowns across countries and the associated supply bottlenecks made it urgently clear to companies how important is the management of corporate processes. The companies that have recognized the high relevance of the concept of service early on are emerging as winners here.

ESM - A Definition

One of the biggest obstacles in a structured market overview of enterprise service management (ESM) is the absence of a clear description. There is currently no generally applicable definition. Many stakeholders in in consulting define ESM as an extension of IT service management (ITSM) principles to non-IT functions. While this basic idea is correct and makes the introduction of cross-organizational process integration possible, ESM goes much further from the point of view of ISG. For ISG, ESM is one of the cornerstones of a company's digitalization strategy, as the technologies of the future are applied in various business processes. At the same time, the provision of processes across a company requires integration not only in the front end, the side of the company that deals with the user, but also in the back end to ensure consistency through a uniform database, to implement complete end-to-end processes and to be able to fully leverage the potential of a company. In this respect, ISG expects leading consulting firms in this area to make ESM an integral part of a company's digitalization strategy alongside organizational transformation, and to develop a feasible implementation strategy through knowledge of the available software tools.

Due to the complexity of this constantly evolving environment, customers are increasingly looking for providers that can support them in the planning, implementation, and provision of such integrative solutions. This study deals with providers in the ESM market in Germany.

The ESM Provider Market

The offerings in the ESM division are divided into three areas:

- Consulting service for strategy definition and implementation, including the implementation of software solutions
- Operation and maintenance of the solutions
- The software solutions
- Services based on the software solution

This ESM market in Germany is dynamic characterized by mergers and acquisitions (M&A). Some of the most prominent examples are, the announcement of the acquisition of software supplier Cherwell by its competitor, Ivanti; the acquisition of consulting company, GuideVision (represented in Germany by Vipcon) by Infosys; the acquisition of Linium by Cognizant. Although these u, at least as far as consulting firms are concerned, have little impact on Germany-based customers, the high level of dynamism shows that this market is currently in the focus when it comes to investments.

ESM Consulting & Transformation Services

In this quadrant, an overview is given of the consulting companies that, from ISG's point of view, can support customers in planning a transition to an ESM landscape. This involves assessing the extent to which the companies have knowledge of the processes that ISG believes are a part of ESM, in addition to the more traditional topics such as organizational analysis and consulting as well as ITSM, SIAM or ITOM. The focus rests on HR, building management, legal and risk management, finance, purchasing and customer care. Another aspect of the provider assessment is existing technology know-how in front-end systems as well as ESM platform solutions and back-end systems, and integration capabilities of these products. Due to the proximity of ESM to business areas, a solid knowledge of industry-specific requirements is evident.

In light of the complexity of the subject, the market leaders, according to ISG, are companies that can hold their own either because of the breadth of their consulting offerings or the extensive practical experience in complex projects with different software solutions. All these companies have, in common, a broad industry knowledge and extensive experience in the field of organizational consulting. Companies such as Accenture, T-Systems (in combination with its own consulting company Detecon), DXC, Infosys and Capgemini are recognized by their deep understanding of the challenges of companywide service management. As a mid-tier consulting company, Materna can position itself in the quadrant of market leaders due to the many years of practical experience it has in planning and implementing company wide, technology independent and complex service management solutions.

ESM Integration & Implementation Services

Due to the constantly increasing complexity of enterprises, either due to new technologies or the need for organizational and technical integration, the need for support services in the implementation of projects, in the area of ESM, is growing noticeably. The leading software providers in the ESM sector are continuously expanding their functionalities, thus enabling a continuous increase in automation of company processes, which, in turn, requires the integration of an increasing number of software solutions.

Companies that are able to implement ESM solutions are positioned in this quadrant of the study. It is important to note that the installation of software solutions is only part of the task. From ISG's point of view, partners in this area need to have a deep knowledge of market-leading ESM and ITSM software solutions. In many cases it is necessary to seamlessly integrate existing ITSM solutions into a new and comprehensive ESM solution. In addition, these integration partners must have experience with leading software offerings in the field of corporate planning (for example, ERP), as many of the processes considered use data from these systems, or sub-processes are mapped and processed in this system.

In this still relatively young market segment, some of the leading IT service providers such as Capgemini, DXC and Infosys have established themselves due to their extensive experience with complex integration projects as well as high product knowledge in both ESM and ERP solutions. T-Systems can also occupy a leading position here, since, in addition to the above-mentioned capabilities, the company's practical operational experience as Hoster of a ServiceNow Cloud makes it attractive for enterprise clients.

ESM – Tool Providers

The ESM market is currently dominated by software manufacturers with two different strategies: first, the platform manufacturers offer customers a complete solution with a broad, basic functionality, on the basis of which partner companies use an app store to offer functional extensions and industry specific solutions; second, an increasing number of providers establishing themselves are extending classic helpdesk solutions into ESM systems through high integration capability, diverse technology partnerships and intelligent workflow systems.

This market segment is highly dynamic. On the one hand, the use of new technologies (AI paired with machine learning (ML), natural language processing (NLP), analytics, etc.) is constantly advancing, leading to a continuous expansion of functionalities. On the other hand, this market is currently also very dynamic in terms of partnerships and M&A.

The established providers such as ServiceNow, BMC Software and Micro Focus are clear market leaders in this segment. However, some smaller providers are also now able to offer interesting solutions to customers. Companies such as 4me, Matrix42 and Valuemation have bagged good ratings in ISG's analysis.

An interesting development in this space will be seen with Ivanti's acquisition of Cherwell. Since ISG views the product functionalities of the two companies as complementary rather than overlapping, and Ivanti is positioned as a Market Challenger due to its limited end-to-end functionalities, the one remaining question from ISG's point of view is how quickly and smoothly the integration of the two offerings will proceed. Thereafter, the combined product should be able to establish itself as a competitor for the market leaders.

ESM – Managed Service Providers

Due to the high complexity and dynamism of the ESM market, managed services are important for many enterprise clients as they often lack the capacities and knowledge to operate the solutions available on the market. Many companies also see the frequent need for product (software) upgrades, which is necessary for holistic management, as a hurdle. As platforms continue to leverage new technologies, many companies are simply overwhelmed when it comes to operating ESM solutions. Despite the pandemic, the ISG Index® shows a growth of almost 7 percent in managed services in EMEA in the past year.

In addition to expertise in long-established application services, service providers for ESM must have in-depth knowledge and experience in operating complex and highly integrated software landscapes. In addition to knowledge of respective platform systems, experience with ERP and other business solutions is required, and for Managed Services application operations automation based onIT4IT ("IT for IT") ensures smooth operation.

Service providers that have developed a clear ESM strategy, in addition to application management services (AMS) capabilities, and consistently implement the strategy internally are positioning themselves as market leaders in this segment.

Introduction

Simplified Illustration

Enterprise Service Management – Tools & Services 2021	
ESM Consulting & Transformation Services	ESM Implementation & Integration Services
ESM Tools Providers	ESM Managed Services Providers

Source: ISG 2021

Definition

Market Overview

This study, 'Enterprise Service Management - Tools and Services 2021, examines different offerings to address companywide service management issues. A distinction has been made between consulting services and the tools used to manage these services, which cross boundaries both within and beyond an organization. The consulting services are further divided: first, the services that prepare companies in planning, integrating and automating business processes through the use of software solutions (Change the Business); second, the services that are necessary for the implementation and integration of these software systems in demanding application landscapes and their high automation needs.

Definition (cont.)

In addition, providers of application services are analyzed in the study with focus on operational support to make ESM applications productive (Run the Business).

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

- Presentation of the strengths and weaknesses of the relevant providers
- Differentiated positioning of providers based on competitive strength and portfolio attractiveness

The study thus provides an essential basis for decisions on positioning, relationships and go-to-market considerations. ISG advisers and corporate customers also use information from these reports to evaluate their current and potential provider relationships.

Scope of the Report

Overall, this study deals with the following quadrants:

The quadrant **ESM Consulting & Transformation Services** examines providers that support users in developing a customized ESM architecture. In addition to broad technological knowledge, experience in organizational and process analysis, as well as change management is required.

The **ESM Implementation & Integration Services** quadrant considers all activities that are necessary to implement the defined strategy for digitalization, integration, and automation of corporate processes in terms of infrastructure and technology. The providers in this quadrant are characterized by a broad knowledge of software systems and integration and adaptation of the same to business requirements.

The **ESM Tools** quadrant compares providers of software solutions for automation of cross-organizational processes, based on existing functionalities. In addition, integration capabilities through standardized program interfaces and flexibility in workflow design are required.

Within the scope of the **ESM Managed Service Providers** quadrant, providers of software services for ESM solutions are analyzed. These providers are characterized by their ability to provide a high level of automation in support processes and broad technological knowledge.

Provider Classifications

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

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

Provider Classifications

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly.

Leader

The Leaders among the vendors/ providers have a highly attractive product and service offering and a very strong market and competitive position; they fulfill all requirements for successful market cultivation. They can be regarded as opinion leaders, providing strategic impulses to the market. They also ensure innovative strength and stability.

Product Challenger

The Product Challengers offer a product and service portfolio that provides an above-average cover¬age of corporate requirements, but are not able to provide the same resources and strengths as the Leaders regarding the individual market cultivation categories. Often, this is due to the respective vendor's size or weak footprint within the respective target segment.

Market Challenger

Market Challengers are also very competitive, but there is still significant portfolio potential and they clearly fall behind the Leaders. Often, the Market Challengers are established vendors that are somewhat slow to address new trends due to their size and company structure, and therefore have some potential to optimize their portfolio and increase their attractiveness.

Contender

Contenders still lack mature products and services or sufficient depth and breadth in their offering, but also show some strengths and improvement potential in their market cultivation efforts. These vendors are often generalists or niche players.

Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star. Number of providers in each quadrant: ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).

Rising Star

Companies that receive the Rising Star award have a promising portfolio or the market experience to become a leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market. This award is only given to vendors or service providers that have made significant progress toward their goals in the last 12 months and are expected to reach the Leader quadrant within the next 12-24 months due to their above-average impact and strength for innovation.

Not In

The service provider or vendor was not included in this quadrant. There might be one or several reasons why this designation is applied: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not qualify due to market share, revenue, delivery capacity, number of customers or other metrics of scale to be directly compared with other providers in the quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer this service or solution, or confer any other meaning.

Enterprise Service Management – Tools and Services - Quadrant Provider Listing 1 of 3

	ESM Consulting and Transformation Services	ESM Implementation and Integration Services	ESM Tools Providers	ESM Managed Services Providers
4me	Not In	Not In	Leader	Not In
Accenture	Leader	Not In	Not In	Not In
Axios	Not In	Not In	Product Challenger	Not In
Bechtle / Hansevision	Not In	Not In	Not In	Market Challenger
BMC	Not In	Not In	Leader	Not In
Capgemini	Leader	Leader	Not In	Leader
Cherwell	Not In	Not In	Product Challenger	Not In
Clientfocus	Contender	Contender	Not In	Not In
Computacenter	Not In	Not In	Not In	Market Challenger
Devoteam	Not In	Product Challenger	Not In	Not In
DXC	Leader	Leader	Not In	Leader

Enterprise Service Management – Tools and Services - Quadrant Provider Listing 2 of 3

	ESM Consulting and Transformation Services	ESM Implementation and Integration Services	ESM Tools Providers	ESM Managed Services Providers
Efecte	Not In	Not In	Rising Star	Not In
Fujitsu	Product Challenger	Market Challenger	Not In	Contender
Infosys	Leader	Leader	Product Challenger	Leader
iTSM Group	Rising Star	Not In	Not In	Not In
Ivanti	Not In	Not In	Contender	Not In
Jira	Not In	Not In	Contender	Not In
ManageEngine	Not In	Not In	Market Challenger	Not In
Materna	Leader	Leader	Not In	Leader
Matrix42	Not In	Not In	Leader	Not In
Micro Focus	Not In	Not In	Leader	Not In
NOVATEC	Market Challenger	Not In	Not In	Not In

Enterprise Service Management – Tools and Services - Quadrant Provider Listing 3 of 3

	ESM Consulting and Transformation Services	ESM Implementation and Integration Services	ESM Tools Providers	ESM Managed Services Providers
Orange	Not In	Not In	Not In	Contender
Plat4mation	Not In	Contender	Not In	Contender
ServiceNow	Not In	Not In	Leader	Not In
SOLVVision	Contender	Market Challenger	Not In	Not In
Sopra Steria	Market Challenger	Rising Star	Not In	Not In
Stefanini	Not In	Not In	Not In	Product Challenger
Topdesk	Not In	Not In	Market Challenger	Not In
T-Systems	Leader	Leader	Not In	Leader
USU	Not In	Not In	Leader	Not In
Wipro	Contender	Product Challenger	Not In	Leader

Enterprise Service Management – Tools and Services Quadrants

ENTERPRISE CONTEXT

ESM Consulting & Transformation Services

In this quadrant report, ISG highlights the current market positioning of ESM consulting and transformation service providers for enterprises in Germany and how each provider addresses the key challenges faced in the region. ISG lays out the current positioning of ESM consulting and transformation service providers in Germany with a comprehensive overview of the competitive landscape of the market.

In Germany, especially for large enterprises, understanding of "broader ESM" (beyond IT) and the benefits of this for business processes in supporting to become digital is very important. Large Enterprises are also looking for capabilities of an ESM partner for consulting and transformation, including ESM project execution capabilities of the partner, return on investment (ROI) generation with their previous projects, and the number and quality of major projects the partners have undertaken over the past years.

Mid-market clients however, value partners for their understanding and addressing of local subjects and their ability to deal with cultural issues. Additionally, very important selection criteria are local, industry-like references followed by ROI and project execution capabilities.

In general clients also look for the proximity to experienced specialists within a service provider during the ESM consulting and transformation phase. These specialists are assessed based on their expertise across ESM processes and experience in the number of successful, large, sophisticated, and global multiproduct projects delivered by them. Usually, service providers portray these specialists and their certifications (for instance, ServiceNow Certified Master Architect) for attracting enterprise clients.

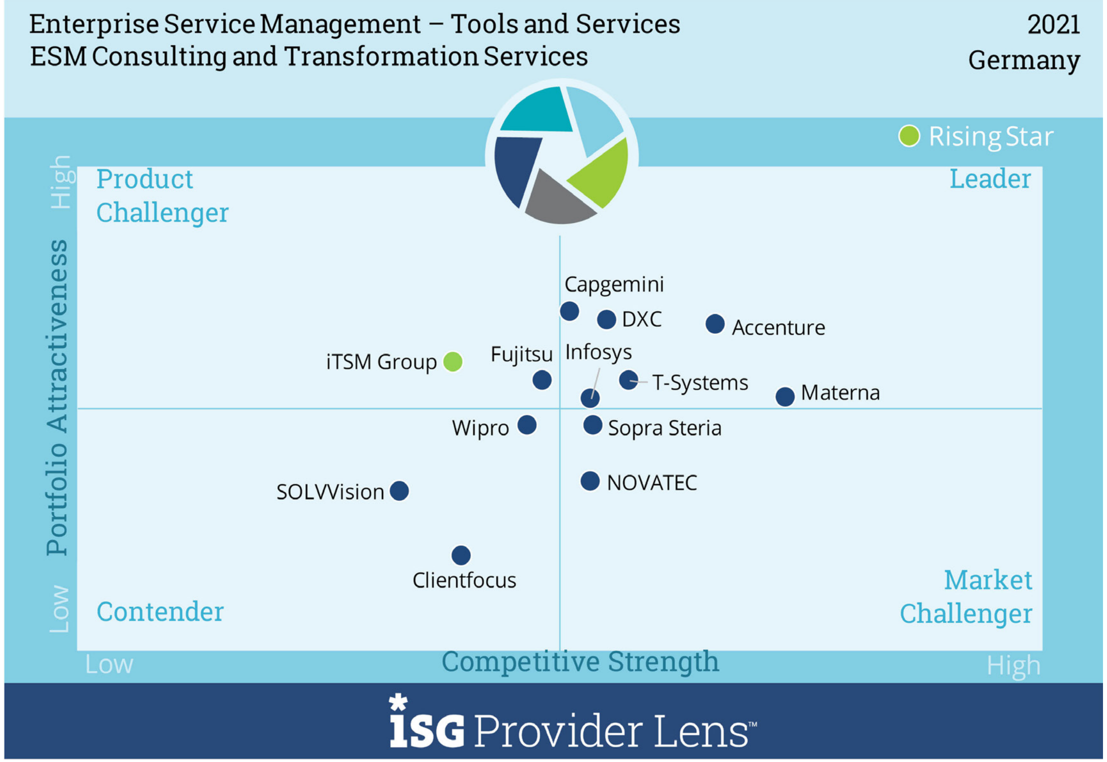
This report is relevant for:

- German enterprises of all sizes and across all industries evaluating consulting and transformation services provided by ESM service providers.
- All C-level executives and business leaders who consider ESM as a cornerstone of their digitization strategy and evaluate the ESM consulting and transformation capability of service providers and identify the providers that best fit their requirement.
- Project leaders who are responsible for consulting and transforming ESM or IT service management (ITSM) solutions and to understand the differentiators among the leading consulting and transformation service providers in Germany.

ESM CONSULTING & TRANSFORMATION SERVICES

Definition

This segment provides an overview of providers of consulting services that are necessary for the transformation of a business. The providers in this quadrant support companies in structuring, ascertaining, and improving their service-related strategies. They also help customers expand their existing IT services into enterprise services by extending processes across organizational boundaries. Business units of a customer are supported to develop their own service strategies. With the knowledge of software solutions for the automation and integration of such processes, the providers in this quadrant enable customers to develop a feasible ESM strategy.



Source: ISG Research 2021

ESM CONSULTING & TRANSFORMATION SERVICES

Eligibility Criteria

- Knowledge and use of architectural models and architectural templates
- Experience in service design and service management
- Experience in supporting changes in organizational culture
- Knowledge of functionality and integration capabilities of leading ESM software solutions
- Knowledge of the critical business processes in different industries

Observations

This quadrant is dominated by large management consultancies. The long-standing and extensive customer relationships help these companies identify customer problems at an early stage and in a comprehensive manner. Coupled with strong knowledge of existing functionalities, these companies are well positioned to help customers with very complex ESM environments.

At the same time, an analysis of the data gathered for this report also indicated that the smaller, mid-tier providers are as adept as in technology as the large providers. In certain situations, these companies should be taken into consideration when selecting as their strong local presence contributes to their suitability in consulting, especially in the case of inexperienced customers.

ESM CONSULTING & TRANSFORMATION SERVICES

Observations (cont.)

- **Accenture** has many years of experience in the field of transformation consulting. By combining process knowledge with a strong understanding of technology, the provider has been able to position itself as the market leader.
- **Capgemini** has established its ESM business and its position as a leader in this quadrant with the acquisition of Altran. The company combines its process and technology knowledge with innovation in its well-rounded offering.
- As a market leader, **DXC Technology** is able to guarantee measurable results during the transformation of processes and is thus preferred for long-term projects.
- The ESM offering from **Infosys** is a prominent part of its corporate strategy, thus seeing the investments necessary to establish its position as a market leader. New technologies are examined in the company's own range of solutions to see to whether they are suitable as accelerators for transformation.
- **Materna**, one of the most renowned Germany-based consulting firms, is positioned as a leader in this quadrant due to its wealth of experience and deep technology knowledge.
- **T-Systems**, in conjunction with the Group subsidiary Detecon, finds itself in the leader quadrant due to the profitable combination of management consulting and practical experience as an IT service provider.
- The **iTSM Group** has been positioned as a Rising Star with the requisites to reach a management position with a wide range of consulting services in the field of transformation consulting.

MATERNA

Overview

With currently more than 2,400 employees worldwide, of which around 2,100 work in Germany, Materna generated around €85 million in sales in the ESM area in 2020. Present in 18 locations in Germany, this group of companies has been providing services for the implementation of IT and for digitalization projects since 1980, with a total turnover of around €324 million in 2020.

Strengths

Years of experience with an understanding of technology provide practical benefits. Due to its long history as a consulting company, paired with deep insights into new technologies such as RPA or AI, Materna supports its customers in defining the roadmap for digital transformation, where the focus is on automation. Through individual consulting, a wide variety of complex scenarios are developed in keeping with the maturity level of a customer.

Companywide process automation supported by a tiered model that guarantees quick success: The desire to add value through automation is enabled by simple RPA solutions that can help achieve success in the early stages of implementation.

Customers benefit from its practical experience as an IT service provider. As an established IT service provider, Materna has the experience to provide comprehensive advice to customers. While developing automation strategies for clients, the need for uninterrupted service delivery, when services are in operation at a later stage, is always considered upfront. To this end, effective ITSM, including service models, self-service processes, and automation tools to support employees are incorporated into strategy recommendations.

Caution

The knowledge available in the corporate group about business processes and with business software must be utilized when promoting Materna's approach how to support a client's digitalisation strategy. This increases acceptance among potential customers that still consider Materna to be a company focused on the Technology sector.

2021 ISG Provider Lens™ Leader

Materna is an ideal partner for Germany based companies that are focused on the successful implementation of digitalization projects.

ENTERPRISE CONTEXT

ESM Implementation & Integration Services

In this quadrant report, ISG highlights the current market positioning of ESM implementation and integration service providers for enterprises in Germany and how each provider addresses the key challenges faced in the region. ISG lays out the current positioning of ESM implementation and integration service players in Germany with a comprehensive overview of the competitive landscape of the market.

Implementation and integration services market witnessed a strong presence of German-based companies, despite the presence of several huge global service providers in the market. In Germany, enterprise clients are focusing on factors such as strong knowledge about local issues, technical capabilities including machine learning, artificial intelligence, and cognitive computing, paired with integration capabilities including integration of DevOps into service management and profound knowledge about various ESM software products. Strong references, and language capabilities for implementing and integrating ESM services in their system are valued as well. As a result, some clients are having long-term partnership with some of the regional service providers. Also, As ESM did gain more interest service providers, both global and regional were able to secure some major projects during the pandemic situation, which helped them in revenue generation.

This report is relevant for:

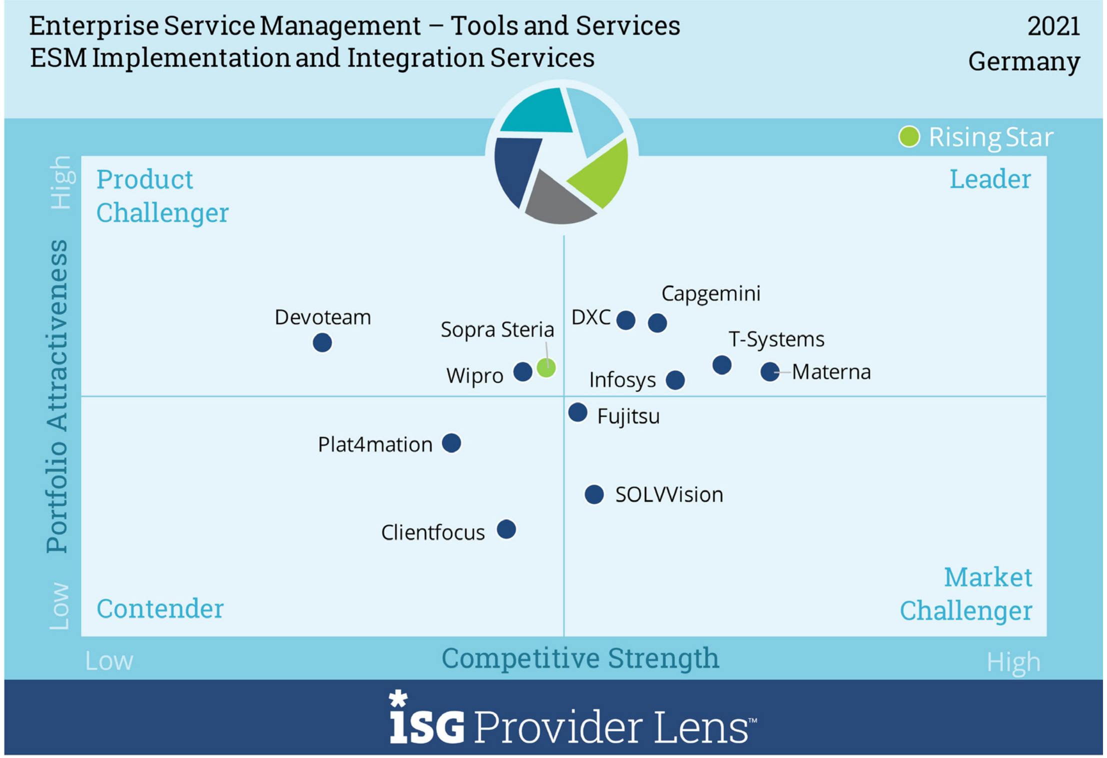
- German enterprises of all sizes and across all industries evaluating implementation and integrations services provided by ESM service providers.
- All C-level executives and business leaders who understand ESM as a cornerstone of their digitization strategy and evaluate the ESM implementation and integration capability of service providers and identify the providers that best fit their requirement.
- Project leaders who are responsible for implementing and integrating ESM or IT service management (ITSM) solutions and to understand the differentiators among the leading service providers in Germany.

ESM IMPLEMENTATION & INTEGRATION SERVICES

Definition

This quadrant assesses providers that specialize in the integration of ESM tools into a customer's existing application landscape. Robust knowledge of the tools to be implemented is an important prerequisite, but they also need to offer integration with other standard software solutions that are usually a part of the demanding enterprise service system landscape. The services include configuration and implementation of the respective applications for the customer, integration into the customer's system landscape, data migration and go-live support.

Ensuring continuous operation of the ESM solution, taking DevOps principles into account, is another important requirement from providers in this quadrant.



Source: ISG Research 2021

ESM IMPLEMENTATION & INTEGRATION SERVICES

Eligibility Criteria

- Broad technical knowledge and experience with selected software solutions
- Ability to use of predefined solutions, accelerators and templates
- Experience with system integration, data integration and process integration
- Knowledge of the special features of 'enterprise shared services
- Approach to ensure the maintenance of the solutions after installation

Observations

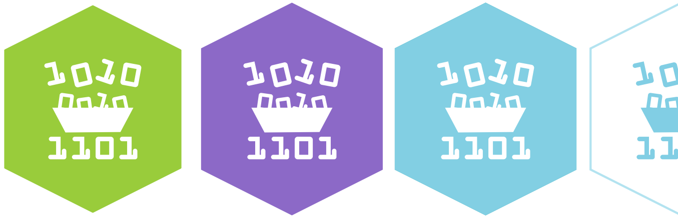
In this segment, the frontrunners are the companies that have many years of experience in the operation and management of large and complex IT landscapes. This experience helps to address the challenges arising from the planning of the ESM solutions, thereby preventing them from reducing or delaying the success of the projects. It should be noted, however, that the differences between the companies assessed are marginal.

- **Capgemini** underpins its position as a market leader by demonstrating high quality in projects as confirmed by its long list of notable references. The combination of process and technology knowledge with innovation is the key to the company's success.
- The large number of technology partnerships is the foundation for **DXC Technology**'s position as a market leader. The modern technologies used during the implementation and integration of the solutions and processes help to quickly achieve measurable savings and ensure better customer experience.
- **Infosys's** ESM offering is part of the company's digitalisation strategy and as such investments necessary for a market leader are guaranteed. This enables the ESM Café development team to examine new technologies to determine whether they can serve as accelerators in implementation and integration projects.

ESM IMPLEMENTATION & INTEGRATION SERVICES

Observations (cont.)

- **Materna** has earned its position as market leader in the field through the implementation and integration of a multitude of ESM systems that the company supports. In this way, suitable and economically viable solutions can be provided in accordance with customer requirements.
- As an experienced IT service provider, **T-Systems** not only brings the necessary operational experience to ensure the efficiency of ESM implementations, but also uses its telecom experience to address the diverse needs of industries. This also considers the mobility aspects of ESM solutions.
- The rising star **Sopra Steria** is well on the way to attaining a top position in this quadrant owing to extensive process experience in a variety of industries and broad technological knowledge.



MATERNA

Overview

With more than 2,400 employees worldwide and 2,100 employees in Germany, Materna generated revenue of approximately €85 million, in 2020, in the ESM area. Represented at 18 locations in Germany, this group of companies has been providing services for the implementation of IT and digitalization projects since 1980, with a current turnover of around €324 million.

Strengths

Companywide process automation abilities supported by its step-by-step implementation approach to guarantee rapid implementations: Materna offers added value in automation projects through small, relatively simple RPA solutions. The company benefits from its extensive industry knowledge and experience in software development and system integration.

Practical experience in service delivery benefits customers: Materna uses findings from its activities as an IT service provider to offer practical solutions to its customers, where it focuses on the uninterrupted provision of services for the implementation of automation strategies. Effective ITSM, including service models, self-service processes, and automation tools to support employees are considered during implementation.

Comprehensive technological knowledge provides practical benefits: Based on its history as a long-term partner of leading ITSM software solution providers and deep insights into the possible uses of new technologies because of its experience with numerous projects, Materna can support customers in digital transformation. The necessary integration services are provided by the Group's own development centers.

Specializing in the public sector: Materna has long been an established partner in the public sector in Germany. Its deep knowledge of the complex processes in this environment is the unique selling point of its offerings for this sector.

Caution

The experiences of the other business units of the Materna Group must be strongly highlighted in the context of ESM. This would make the company attractive for customers who treat Enterprise Service Management more as a business challenge.

2021 ISG Provider Lens™ Leader

Materna is ideal for Germany based customers that are looking for an experienced and reliable partner to implement digitalization projects in the ESM environment.

ENTERPRISE CONTEXT

ESM Tools Providers

In this quadrant report, ISG highlights the current market positioning of ESM tools providers for enterprises in Germany and shows how each provider addresses the key challenges faced in the region.

One of the major trends being witnessed among some enterprise clients is the increasing shift toward boutique ESM tool providers after a few years of implementation of large platforms, especially among clients with budget constraints. Most often the clients realize that the comprehensive and expensive offerings of large ESM tool providers in the market are not required, and they need providers that can offer specific solutions at an affordable price. This is a good opportunity for boutique ESM tool providers. These providers position themselves in ESM as an integration platform by providing strong frontend systems and delivering great user experiences and seamless process access, while integrating the required backend and management systems.

The large ESM tool players in the market deliver strong process automation and integration capabilities, while using backend and enterprise software as data sources to provide users the necessary information when needed. All tool providers deliver strong workflow capabilities to easily design and implement process integration and automation.

This report is relevant for:

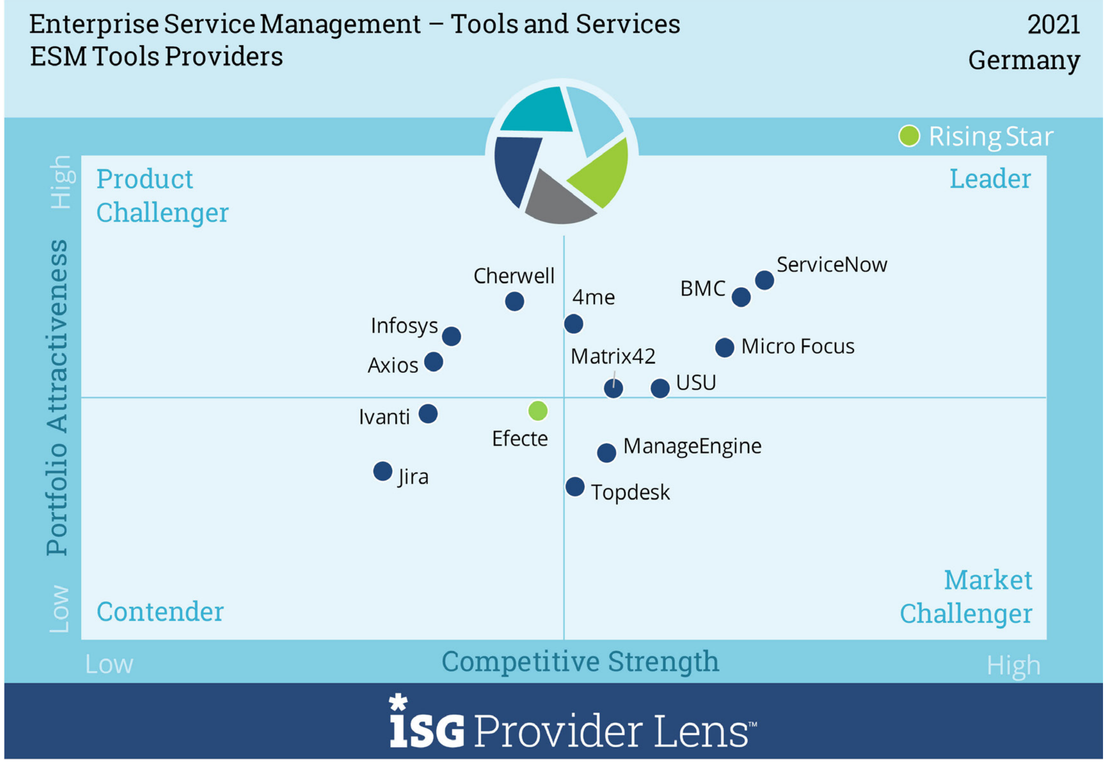
- German enterprises of all sizes and across all industries evaluating vendors for their capabilities in providing ESM tools.
- All C-level executives and business leaders who consider ESM as a cornerstone of their digitization strategy and evaluate the capability of ESM tools and analyze vendors providing solutions that best fit their requirement.
- Project leaders who are responsible for choosing ESM or IT service management (ITSM) solutions and to understand the differentiators among the leading ESM tools available in the German market.

ESM TOOLS PROVIDERS

Definition

This quadrant assesses providers of software products for automating defined services across a company. In addition to custom workflow design functions for various business functions, the tools must also ensure data integrity across different organizations, provide access control and escalation procedures, and other automated service functions.

In addition to a broad support for various processes, the providers must have the ability to integrate standardized interfaces. Analytical skills and the provision of RPA as well as ML and techniques and methods for NLP should also be included in the functionality of the products.



Source: ISG Research 2021

ESM TOOLS PROVIDERS

Eligibility Criteria

- Ready-made, ready-to-use functionalities for automation of important business services such as IT, HR, finance and accounting (F&A) and facility management
- Ability to offer access control and user/role management
- Integration capabilities
- Use of new technologies
- Deployment model breadth and flexibility
- Partner ecosystem including business and technology partners

Observations

The providers in this segment can be divided into two groups that primarily differ in their approach to the problems of integrating different business processes. While the large, platform-oriented systems try to provide comprehensive solutions for the processes in scope, the second group of companies offers an integration platform for disparately operating backend systems. Depending on the customer's current situation and requirements, both ways can be successful.

- **4me** provides a full-service management platform for companies that use ITSM; want to implement ESM; and need to centrally record, evaluate and control the services provided by external companies.
- **BMC Software** has been delivering robust, integrated and functionally extensive management solutions for technologies and processes for decades, making it one of the largest software houses in the world.
- **Matrix42** implements ESM from the user's workplace. Process collaboration and integration across a company as well as the provision of the necessary functionalities are undertaken via easy-to-use workflow designers and low-code development platforms.

ESM TOOLS PROVIDERS

Observations (cont.)

- **Micro Focus** offers Service Management Automation X (SMAX), an ESM solution built from the ground up with proprietary big data and AI capabilities.
- **ServiceNow** transforms manual business processes into modern, digital workflows. Employees and customers get quick, uncomplicated access to information and services, just as they are used to in their personal lives.
- **USU (Valuemation)**, a Germany based software company of the USU Group, supplies many state-of-the-art technologies that are developed in the various business units of the group to provide a highly integrative and complete ESM solution.
- With its functionalities, **Efecte** simplifies IT processes and ESM. The user-friendly nature of the solutions and the high degree of integration possible are its most important pillars, make the company a Rising Star in this quadrant.

ENTERPRISE CONTEXT

ESM Managed Services Providers

In this quadrant report, ISG highlights the current market positioning of ESM managed service providers in Germany and how each provider addresses the key challenges faced in the region. ISG lays out the current positioning of ESM managed service providers in Germany with a comprehensive overview of the competitive landscape of the market.

Driven by the COVID-19 related challenges for user companies such as lock-down scenarios and growth in remote working, ISG is recognizing a growing demand to seek for managed services. Also, many smaller enterprises are relying mainly on managed service providers due to budget constraints and IT staffing issue. Enterprises often trusts third party service providers for providing managed services and expects them to monitor the functioning of the system proactively and for keeping up with the frequent upgrade cycles of ESM tool providers. For instance, ServiceNow one of the most popular ESM tools used across industries, delivers two new release families per year. Enterprises will need to upgrade almost once a year to stay on a supported release family.

This report is relevant for:

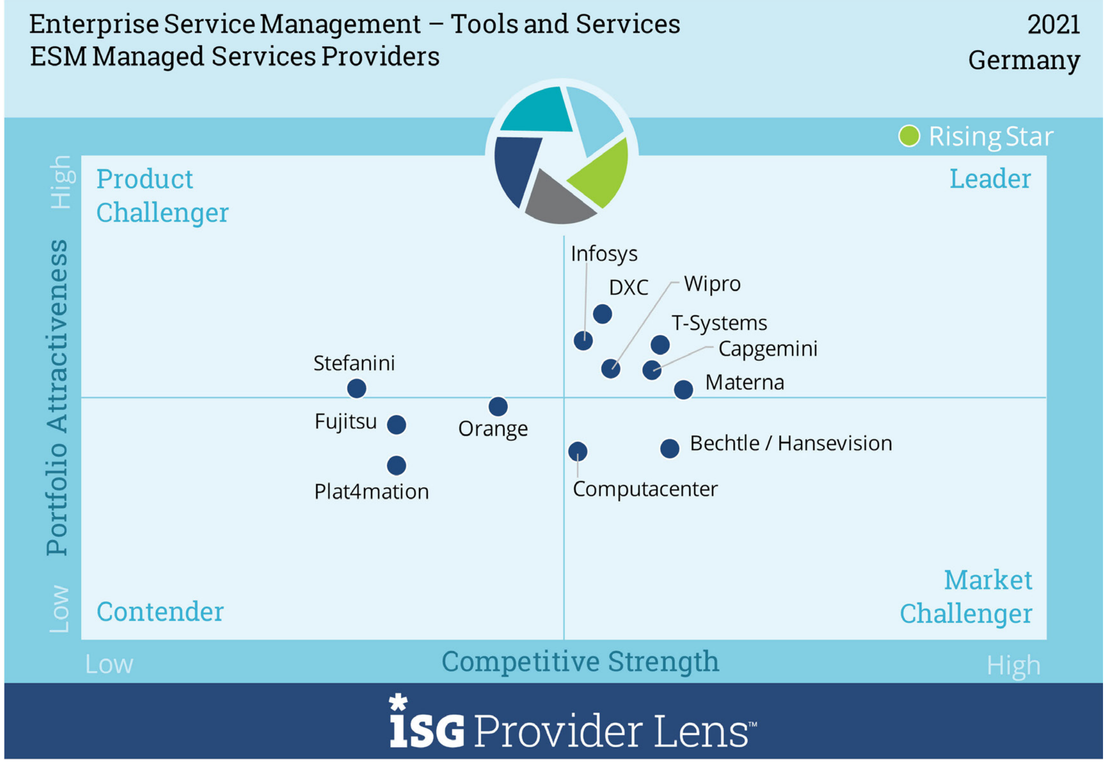
- German enterprises of all sizes and across all industries evaluating managed services for Enterprise Service Management providers.
- All C-level executives and business leaders who consider ESM as a cornerstone of their digitization strategy and evaluate the ESM managed services capability of service providers and identify the providers that best fit their requirement.
- Project leaders who are responsible for managing/maintaining ESM or IT service management (ITSM) solutions and to understand the differentiators among the leading managed service providers in Germany.

ESM MANAGED SERVICES PROVIDERS

Definition

This quadrant evaluates providers that offer managed services for maintenance and support functions, which include monitoring, remote support, central management of ESM applications, data quality management, data security and compliance. In addition to a broad and comprehensive range of traditional application services, the internal use of the functionality of the supported systems for the automation and operation of the applications in keeping with IT4IT is an advantage.

In the context of large enterprise customers, the ability to deliver these services in terms of global reach and complex application landscapes that span a variety of solutions, from different software providers, is considered for evaluation.



Source: ISG Research 2021

ESM MANAGED SERVICES PROVIDERS

Eligibility Criteria

- Scope of the services
- Maturity level of the delivery models and contract models
- Experience with support for ESM applications
- Broad customer base and good references
- Delivery capability with proximity to customer
- Existing technology partnerships with important software providers
- Local application examples and references

Observations

The differences between the companies that were evaluated in this quadrant can be described as minimal. All providers have distinctive skills in the provision of application services. However, some providers have a more dedicated service offering geared more toward ESM and are, therefore, marginally better positioned.

- **Capgemini's** strong ESM focus as well as the application services, ensured by ADMnext and DigiOps, enables the provision of ESM application services tailored to all needs.
- **DXC Technology** is known for high quality and extensive application services. With Bionix™ DXC uses a proprietary analysis platform to optimize its services.
- **Infosys** offers classic application support services for large ESM platforms. In addition, ESM Café, an extensive ESM system equipped with many functionalities is available as managed services.
- **Materna's** extensive experience with many ESM platforms is undisputed. As a full-service information and communication technology (ICT) provider, the company is also competent and successful in the field of managed services.
- **T-Systems** offers application services by which the automation level, knowledge management and reporting as well as the quality management of ESM solutions can be delivered comprehensively.
- **Wipro** has extensive experience in providing ESM platform solutions and automation for a wide variety of business processes, especially outside of IT.

MATERNA

Overview

With more than 2,400 employees worldwide, of which 2,100 are working in Germany, Materna generated sales amounting to around €324 million in 2020. As a service provider, Materna has been operating its own data centres, since 2000, in various assessment areas such as physical security, system security and data security through various audits and certificates. As a full-service provider with expertise in leading ESM products, the company offers graduated service packages.

Strengths

Classic application management serves as the foundation of its offerings: In this case, Materna focuses on providing secure and easily available applications to its customers. Due to its established and distinctive partnerships, the company has a high level of expertise, particularly in the ESM solutions from developers such as BMC, Micro Focus and ServiceNow.

Comprehensive managed services: Materna's service offering is tailored to the needs of customers. The company's portfolio of managed services combines services from infrastructure, applications, and service management. In addition to managed services, the experienced service provider manages all other service-providing suppliers also.

Materna covers the entire service spectrum of a full-service ICT service provider: This includes consultation to implementation and operation. Customers include IT organizations as well as specialist departments in the private sector and administration. Materna has been operating applications for customers, as a fully managed service, in its own data centres since 2000.

Caution

The performance of a full-managed service provider needs to be highlighted more prominently as the offering is particularly interesting for newcomers to the complex area of ESM.

2021 ISG Provider Lens™ Leader

Due to its extensive knowledge of market-leading ESM solutions, Materna is the right partner for companies in Germany that are looking for experience in the operation of secure ESM solutions.

Methodology

METHODOLOGY

The research study “ISG Provider Lens™ 2021 – Enterprise Service Management – Tools and Services” analyzes the relevant software vendors/service providers in the German market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology

The study was divided into the following steps

1. Definition of Enterprise Service Management – Tools and Services market
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities & use cases
4. Leverage ISG’s internal databases & advisor knowledge & experience (wherever applicable)
5. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & other sources.
6. Use of the following key evaluation criteria:
   - Strategy & vision
   - Innovation
   - Brand awareness and presence in the market
   - Sales and partner landscape
   - Breadth and depth of portfolio of services offered
   - Technology advancements

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ISG Provider Lens™ | Report: Enterprise Service Management – Tools and Services
March 2021

ISG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 700 clients, including more than 75 of world's top 100 enterprises, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis. Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,300 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data. For more information, visit www.isg-one.com.