

Ovum Market Radar: Employee Support Tools

Empowering employees through the cross-business use of enterprise service management tools

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Summary

Catalyst

This Ovum Market Radar report compares ten of the leading IT service management (ITSM) tool vendors and their solutions to understand how they approach and address the opportunities and issues of employee enablement, and employee experience improvement. These are vendors that, whilst traditionally operating in the ITSM space, now provide a range of features that assist customers in delivering modern, engaging employee service and support mechanisms and the required back-office digital transformation capabilities.

Ovum view

Influenced by new technologies and a demand to embrace more modern and self-empowering working practices, the way that employees work continues to change. In effectively supporting and enabling the modern workforce, businesses face a variety of challenges, such as deciding on which channels of support to offer, how to make self-service successful, and how front- and back-office practices and capabilities may need to change to enable a more modern support model. ITSM solutions continue to evolve to help businesses overcome these challenges, and in embracing a more modern approach to employee support, enterprises improve the employee experience.

This report has been developed to explain where ITSM tool vendors and their solutions are positioned on the spectrum of facilitating enterprise service management (ESM) scenarios (at a technology level) through to better enabling support personnel in different lines of business and the employees they serve. The report and capabilities assessed were developed very much through the lens of the employee using them, hence the focus on "employee support tools." To establish how well each vendor can enable different lines of business service and support teams to support a modern workforce, the report delivers detailed insights into the key vendors' offerings, and how each of their solutions compare. Its analysis is split into two key parts: first, each of the ten ITSM tool vendors (and their solutions) is qualitatively reviewed across their strengths, areas for future focus, opportunities, and threats. Second, the vendors and their solutions are scored against a set of predefined criteria related to ITSM, enterprise service management and back-office digital transformation, and better employee enablement.

Service management vendors are beginning to act against the broader business opportunity and value that their solutions now deliver. The traditional perception of service management has been that the practice and set of technologies are IT-centric and provide little broader business value. However, this perception is starting to change as employees, both in and away from the IT department, begin to better understand the broad business value a service management tool delivers. Specifically, capabilities such as workflow automation and self-service have made service management platforms a valuable tool for businesses looking to better empower and engage employees.

Key messages

- Improving employee experiences and engagement is not an objective that can be achieved with one single tool, but more a collection of complimentary solutions and employee-focused working practices.

- ESM solutions are a valuable digital workspace tool that can help businesses improve employee enablement.
- The landscape for employee support tools is encouraging, with a broad set of solutions delivering a very capable and relevant set of features and functionality.
- Enabling and supporting businesses in modernizing the way employees work and in embracing more proactive support approaches should be viewed as an important mandate by enterprise service management vendors.

Recommendations

Recommendations for enterprises

- The comprehensive set of workflow automation and self-service capabilities offered by many service management solutions is helping establish them as a digital glue of sorts, capable of supporting businesses looking to improve end-to-end services and employee experiences.
- Ovum identifies modern service management tools as an important digital workspace element that should be considered by organizations looking to improve employee support and engagement.
- Codeless capabilities that empower employees from across the business to develop automated workflows and custom apps are emerging as an important functionality for businesses looking to get more value from an investment in service management tools. Enterprises would be wise to seriously consider these capabilities when adopting a new employee support tool.
- The way that people collaborate, and the dynamic nature of teams in the modern workplace, is also something businesses must consider in evolving an approach to employee support. Specifically, it is important to consider how teams can now form and disband in a more fluid fashion around business initiative, and any employee-centric approach must accommodate and support these principles.

Recommendations for vendors

- Vendors must place employee enablement front and center of their company mission if they are to be successful in delivering solutions that can help improve workforce engagement and productivity.
- To help improve adoption and understanding around the broad value service management solutions deliver, vendors should look to productize their solutions around specific line-of-business and even vertical use-cases.
- Workplace and employee profiles are also continuing to change. There is a growing need to deliver tools that support businesses in delivering services to a wider employee base, often incorporating employees that may be more loosely tied to an employer (such as with zero-hours contracts, for example).
- The provision of digital workplaces that deliver role-specific insights and capabilities are an interesting proposition that can help personalize service delivery and improve employee engagement.

- In growing the awareness and broader adoption of the capabilities offered, vendors should look to sell their ESM offerings not only through the traditional route via the IT department, but also directly to lines of business.
- Developing partner ecosystems that deliver the right experience and global presence will be important for vendors looking to broaden the adoption of their solutions across other business units, and into geographies beyond the currently well-served regions of the US and Europe, the Middle East and Africa (EMEA).
- Integrating virtual agent capabilities with popular and widely adopted communication and collaboration tools – such as Slack and Facebook Workplace – will help broaden adoption of ESM capabilities into the business.
- Traditionally, and certainly within the realms of ITSM, important data on assets and other infrastructure elements has been contained within a configuration management database (CMDB) – something most ITSM vendors have offered for some time. But many enterprises still struggle in developing and maintaining an accurate CMDB. As ITSM tools continue to be embraced beyond just the IT department by functions that have no knowledge of a CMDB or anything else IT infrastructure library (ITIL)-related for that matter, it will be important that vendors support them with capabilities that can help in establishing and maintaining this important data repository. In time, and especially as IoT initiatives begin to mature, it may even be more valuable to rebrand and evolve the CMDB in line with modern needs around digital into something more valuable and relevant for non-technical audiences.

Recommendations for service providers

- For service providers, service management platforms can help in supporting not only their own digital transformation efforts, but also in improving the way they deliver and support B2B services.
- Service management vendors are keen to support communication service providers in their efforts to modernize and expand their digital service offerings, with some vendors now offering productized platform solutions that are geared specifically towards telcos.
- As service providers look to modernize and evolve their B2B service offerings, service management platforms can help them strengthen their service management value proposition through delivering new automation and cross-functional workflow capabilities.

Defining and exploring employee support tools

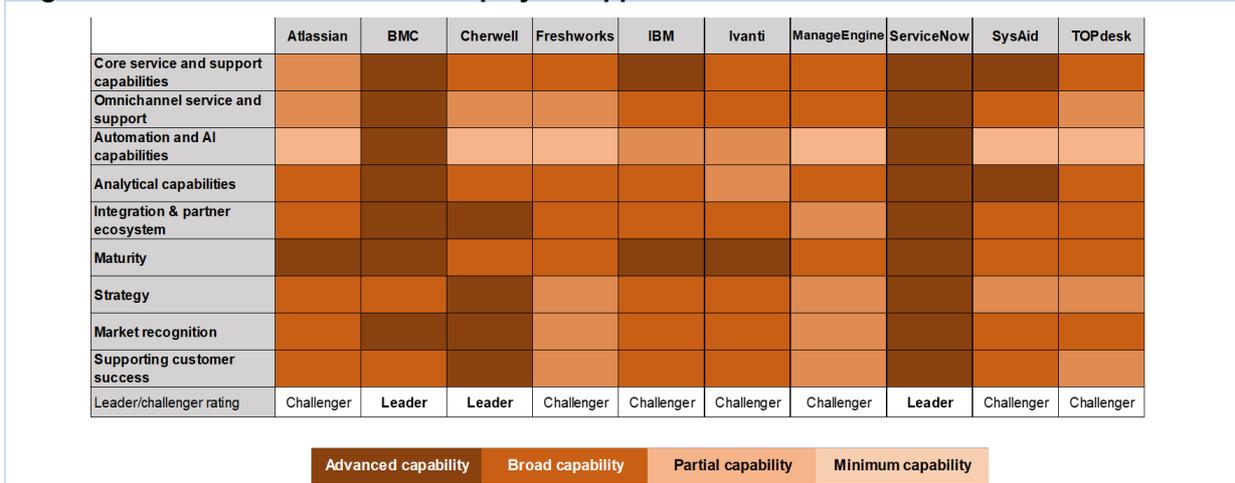
Vendor landscape

Improving employee experience and engagement is not something that can be achieved with a single tool, but more a collection of complimentary solutions and employee-focused working practices. Ovum sees service management tools as a key piece of the employee experience puzzle, vital in helping businesses achieve against digital initiatives.

The landscape for employee support and ESM tools consists mostly of established enterprise vendors that are extending their ITSM products to address broader business needs and opportunities.

Figure 1, the Ovum Market Radar for employee support tools, illustrates the relative strengths and weaknesses of 10 competing offerings we analyzed for this research. All products selected for this report offer a good set of technological and operational competencies. ServiceNow, BMC, and Cherwell demonstrated strong support for the broad range of employee support capabilities Ovum identified as being important, hence their "Leader" ratings. Encouragingly, all products assessed demonstrated good support across all the capability categories we identified, meaning most are well aligned and executing against the employee support and engagement value proposition.

Figure 1: Ovum Market Radar for employee support tools



Source: Ovum

Key capabilities

Ovum's analysis for this report was based on briefings we held with participating vendors, and the responses we received added to a matrix. All participating vendors completed a detailed capability matrix that investigated over 120 features that Ovum feels modern employee support solutions should offer. In addition to exploring just the technological, we also explored operational and strategic capabilities. The capabilities we analyzed across the matrix and via individual vendor briefings were separated into nine sub-categories that are detailed in Table 1. Within these categories, we looked at whether the solutions offered a comprehensive set of technological features, such as the strength and breadth of automation, AI, and analytical capabilities. When looking at operational competencies, we were keen to understand elements such as the strength of the product roadmap, how widely adopted solutions were at present, and the breadth of partnerships established.

Table 1 outlines key capabilities within employee support tools corresponding to the ratings of vendor solutions shown in Figure 1.

Table 1: Key capabilities

Capability	Description
Core service and support capabilities	Analysis of core infrastructure management features that are important for businesses looking to improve employee support practices. Change management, service level management, IT operations management, and remote-control capabilities are examples of features assessed here.
Omnichannel service and support	Analyzes the strength and breadth of support channels (self-service, virtual agent, in-person, etc.) offered by the solution. This section also explores the service catalog capabilities offered.
Automation and AI capabilities	Explores workflow automation and AI capabilities offered that support how employees work (through chatbot functionality, for example) and how efficiently incidents and requests can be managed.
Analytical capabilities	Reporting and analytical capabilities that empower both IT admins and employees that may not use/interact with the system daily. Also explores benchmarking capabilities, performance analytics and data audit capabilities.
Integration and partner ecosystem	Investigates integration capabilities and complementary solution modules and/or functionality and services that can be adopted to augment the vendor's own offering. Also provides perspective on the strength and breadth of the third-party ecosystem that supports the vendor and its solution.
Maturity	Analyzes vendors' product marketing approach and current operational structure. Deployment models and varied language support are other examples of capabilities analyzed here.
Strategy	Investigates the vendor's approach and vision for enhancing employee experience beyond just IT. Additionally, current sales approach and development plans over the next 24 months are explored. Also explores approach and progress in productizing offerings around specific vertical use-cases.
Market recognition	Conclusions here were derived by analyzing elements including adoption trends and patterns, differentiation, scope of solutions set, company history, and growth rate.
Supporting customer success	Analyzed vendor propositions, both technical and non-technical, that are geared towards supporting customers throughout the adoption journey.

Source: Ovum

The heatmap is colored according to the Ovum assessment as follows:

- **Advanced capability:** The solution demonstrates cutting-edge capabilities and full alignment with Ovum's ideal.
- **Broad capability:** The solution offers better-than-expected functionality for the feature.
- **Partial capability:** The solution provides expected functionality but lacks extensive alignment with the capabilities outlined by Ovum.
- **Minimum capability:** The solution offers a minimal amount of capabilities.

- **Absent:** While the solution might have the functionality, it is neither apparent nor is it emphasized by the vendor.

The categorization of each vendor is as follows:

- **Market leader:** This category represents the leading solutions that provide advanced capabilities across multiple functional areas, have broad capabilities across most other areas, and which we believe should make it on the shortlist for organizations looking at adopting an employee support or ESM tool.
- **Market challenger:** The solutions in this category offer some advanced capabilities, and have appropriate functionality across other areas.

Business value and applications

"Employee experience" and "employee enablement" are both hot topics for IT and other lines of business such as human resources (HR) and facilities right now – because employee motivation and productivity both play a big role in delivering better business outcomes and results. Consequently, organizations are becoming more focused on better enabling their employees (to do what they need to do) in their respective roles, knowing that failure to do so will adversely affect business operations, revenue and profitability, and customer satisfaction and retention. Plus, in these times of what has become known as "the gig economy," the inability to provide an acceptable level of employee experience will adversely affect both employee retention and recruitment.

Market landscape and participants

Market origin and dynamics

Both employee enablement and employee experience are strongly influenced by the quality of the work-facilitating capabilities employees have available to them, the availability of those capabilities, and how non-availability is addressed (and perhaps even prevented) by the relevant corporate service providers. Consequently, corporate service providers are increasingly under pressure to deliver their services and support in line with employee expectations – with these employee expectations now based on the consumer-world experiences of service and support they receive outside of work in their personal lives. Think of it as the "consumerization of service" rather than the now-outdated need for IT, in particular, to cater for the "consumerization of IT" by focusing only on the delivery of corporate IT services similar to employees' personal devices, apps, and cloud services.

Using IT as an example, this increased focus on employee enablement and employee experience means that IT departments need to do more to improve how they deliver services and provide support to employees. There's a need to realign support operations from the now-decade-old mantra of needing to "do more with less" to focus on all three of "better, faster, cheaper" – with the need to improve across all three of speed (or velocity), value-delivery, and employee experience. It also ushers in a new era for understanding the level of service and support performance in the context of the employee and their expectations, with

- experience level agreement (XLA) targets supplementing the more-traditional service level agreement (SLA) targets, and

- employee experience measures supplementing, and perhaps even replacing, customer satisfaction (CSAT) and other traditional metrics and key performance indicators (KPIs) that focus on speed and volume rather than the quality of business and employee outcomes.

Key trends

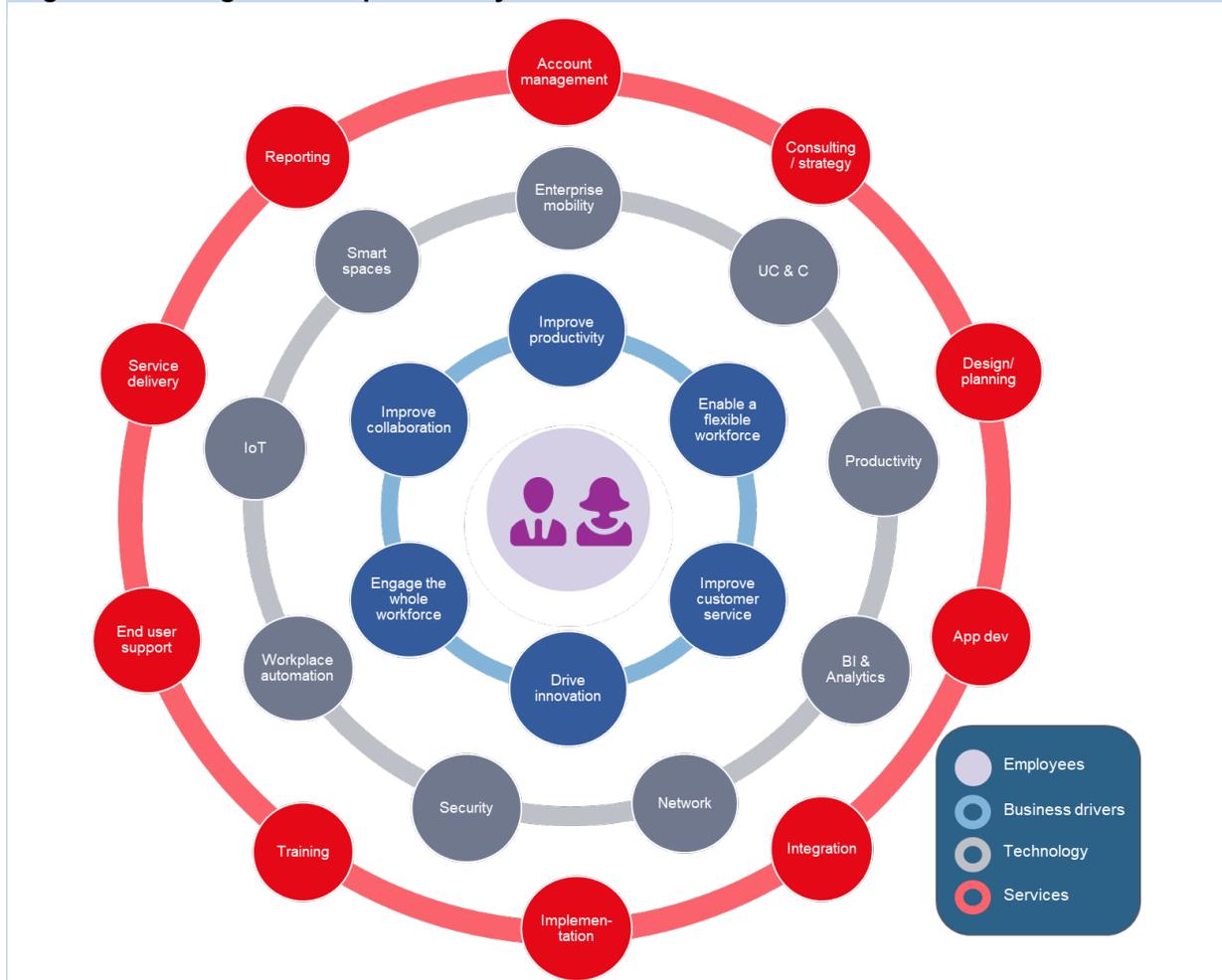
Improving the employee experience shouldn't be a new concept for most IT departments and other corporate service providers, with self-service technology an obvious example of service, and support organizations already striving to achieve a basket of benefits that include a better employee experience, along with:

- **A greater capacity for support provision:** with self-help and back-end automation both reducing the pressure on support teams.
- **Increased availability of support:** offering round-the-clock support when organizational limitations mean that telephone and email support ceases at a certain time each day.
- **Quicker and easily-accessible solutions:** with no need for employees to wait in telephone queues or for responses to their emails.
- **Reduced support costs thanks to the elimination of support-side labor:** to support the business case for self-service, IT support industry benchmark data from MetricNet shows that a self-service transaction is less than a tenth of the cost of a person-assisted transaction via the IT service desk.

These same benefits also apply across a range of new service and support technologies/capabilities; capabilities that are made available to both IT departments and other lines of business through modern ITSM tools, with these capabilities leveraged by various lines of business in ESM – or back-office digital transformation – scenarios. These technologies, and the enveloping service and support practices, are service and support capabilities that are congruent with more modern and self-empowering employee working practices and workstyles, especially given that the way that employees work – or at least want to work – continues to change.

ESM tools that support modern approaches to employee support will be a valuable digital workspace component. Figure 2 shows our view of the digital workspace ecosystem, with the employees at the core. The next layer illustrates the key business objectives that are driving digital workspace strategy. The third layer shows the important technology components that may come into play in building the digital workspace. It is here Ovum feels ESM tools will have a valuable role to play, notably as solutions that will support business efforts around workplace automation and employee productivity. The final layer illustrates the important elements of service that companies typically need, through consulting to integration and end user support.

Figure 2: The Digital Workspace Ecosystem



Source: Ovum

Future market development

Line-of-business service and support teams cannot operate in a vacuum. Again, taking IT as an example, what was "IT support" is now increasingly viewed as "people support" – with the recognition that the employee being unable to work is more important than the technology not working – albeit in the context of the employee's reliance on technology in fulfilling their workplace roles. Ultimately, as employee workstyles change, so must the way that organizations – and their lines of business – approach how they enable and support them.

The required support changes are multifaceted. From the provision of omnichannel support, through ensuring that individual support channel capabilities are truly fit-for-purpose (in the eyes of the employee, not the corporate service provider), to the performance measurement mechanisms employed to ensure that all is as it should be from an employee-expectations perspective (as well as proactively identifying improvement opportunities). Then, in supporting this, organizations face a number of known challenges in effectively enabling their modern workforce. For example, how to finally succeed with their self-service capability (in employee adoption and happiness terms); or how to turn their brittle and potentially basic knowledge management capabilities into something that is more organic and effective; or how to best adopt new AI-enabled capabilities for service and support – from chatbots and virtual agents to the intelligent automation of tasks and predictive analytics.

Digitization is bringing about great change and opportunity, with cloud services being a big part of this change. As the role of the IT admin changes, we expect them to increasingly undertake more proactive tasks, including those associated with the provisioning, administration, and ongoing management of cloud services and resources. Service management tools are well placed to support these activities through a single interface and set of management functionality.

AI, chatbots, and virtual agents are perhaps one of the most widely discussed emerging capabilities in the realm of employee support. Chatbots and virtual assistants are the most common manifestations of AI used in the context of the digital workspace, where they are helping improve how employees consume information and interact with business solutions. These technologies can help employees manage tasks and seamlessly interact with business apps and systems. Combined, these capabilities enhance the workplace, but there are important steps and considerations that organizations must take before adopting them, particularly where they affect working culture. Many employees fear that AI will displace jobs – and potentially, their job. In some instances, this will be true, but AI has the potential to transform many tasks and roles, and business leaders must prepare employees for the disruptive yet transformative changes that AI will bring. Training, upskilling, and evolving roles and responsibilities will be important. Research from a recent Infosys survey of 1,600 senior business decision makers in large organizations suggest that many are managing the AI opportunity in a responsible and effective way. Data from the Infosys study showed that 80% of organizations plan to retrain or redeploy employees whose role is significantly impacted by AI.

Some of this change will, of course, require more than a change in tooling – from creating the right organizational culture, through revised service and support strategies, to policies and practices that are focused on eliciting the right behaviors and outcomes. However, the tool capabilities – plus the abilities of the tool vendor to articulate and then facilitate what's needed for better employee enablement – play a key part in creating a service and support ecosystem that is fit for the enablement of a modern workforce.

Vendors on the Ovum Market Radar in employee support tools

Atlassian

Atlassian was founded and released its first product – Jira, a tracking tool – in 2002. Its ITSM solution, Jira Service Desk, was launched in 2013. This has seen rapid adoption thanks to word of mouth, in particular with customers that are already using Jira within IT. As a public company, Atlassian doesn't break down customer count by product, category, or geography but as of June 30, 2019 it has 152,000 customers across its product portfolio. Atlassian states that the Jira Service Desk customer base includes organizations of all sizes and from all industries, with the most popular industries being business products/services, financial services/insurance, and utilities and telecommunications. These customers are commonly employing Jira Service Desk in non-IT use-case scenarios, in lines of business such as HR, finance, legal, facilities, and marketing. With Atlassian reporting that 58% of the Jira Service Desk customer base is using it for non-IT (i.e., ESM) use cases. A key competitive differentiator for Atlassian is its low-cost sales model that is in the main online and customer self-serve, which means that it can both sell Jira Service Desk at a lower price than competitors, and run with a high R&D investment level.

Company and solution analysis

Strengths

Atlassian is globally successful

Atlassian states that it has over 152,000 customers (for its total product portfolio) in close to 200 countries around the world, with offices in the US (San Francisco, Austin, New York, Boston, and Falls Church (Virginia)), EMEA (Amsterdam, Gdansk, and Ankara) and APAC (Sydney, Manila, Yokohama, and Bangalore). It also has over 500 solution partners around the globe. These are Atlassian advisors, consultants, and trainers that provide consulting, sales, and technical services to deliver and implement customer solutions using Atlassian products.

Atlassian is driven by employee enablement

Atlassian's focus on employee enablement is front and center in its company mission to "unleash the potential of every team." It starts with the pre-sales process, where Atlassian prides itself in offering a low-friction opportunity for customers to try before they buy, through to the capabilities of its product portfolio and the focus of its product roadmap.

Atlassian customers find it easy to use Jira Service Desk outside IT

Atlassian's ESM capabilities are aided by the company's belief that "all teams are service teams," with Jira Service Desk a platform upon which customers can create the various service and support capabilities they need. Atlassian states that "ESM is made easy for customers because Jira Service Desk provides customizable templates out-of-the-box for ITSM, customer service, and business teams so there's no need to configure additional 'modules' for new functionality or use cases." The evidence of this is the reported 58% of the Jira Service Desk customer base that uses it for extended non-IT use cases. To make things even easier for customers, Atlassian is also working on service desk templates for HR, legal, and facilities teams.

Atlassian is a lower-priced ITSM offering, with this value extending to ESM scenarios

Atlassian offers a low total cost of ownership for Jira Service Desk. This is facilitated by the Atlassian sales model – online and self-service such that there are minimal selling costs – as well as Jira Service Desk being available via both named and concurrent licensing models. To reduce friction in the sales process, there are also no custom contracts or negotiations on price.

Areas of further focus

Atlassian's AI-enabled service and support capabilities currently have gaps

Jira Service Desk has an AI-enabled SmartGraph search engine that uses previous searches and requests to find the best results for the current request. This is a search algorithm that combines keyword search and machine learning (ML). There are gaps though, when measured against Ovum's report requirements related to AI. For example, they currently leverage marketplace applications for virtual agent and predictive modeling capabilities. In addition, Atlassian has new AI and ML capabilities on its product roadmap, with it in the planning stages for deploying additional smarts for notifications, recommended assignees for issues, and knowledge base smarts that will automatically extract relevant question/answer pairs from tickets.

Jira Service Desk doesn't have IT asset management capabilities, or a CMDB

Until recently, IT asset management (ITAM) wasn't included in the ITIL ITSM best practice framework, and it was easy for organizations to consider it a separate IT management capability (to ITSM). However, ITIL 4 now includes ITAM but, more importantly for this report, asset management for non-IT assets is commonly part of the ESM requirements of organizations. Both for line-of-business assets (for instance, those managed by facilities teams) and those that are industry-specific. For instance, patient care assets in healthcare. To compensate, Atlassian finds that many customers choose solutions available in the Atlassian Marketplace (e.g., Insights by Riada, Device42, Snipe-IT), for their asset management and CMDB needs, which is available in the Atlassian Marketplace.

Opportunities

Atlassian is already selling other solutions outside of IT, offering a non-IT customer base for its ESM capabilities

Other products in the Atlassian portfolio such as Jira, Confluence, and Trello already have a large non-IT customer base. It is a great opportunity for cross-selling – although not via sales personnel but through the "word of mouth" effect that has already seen Atlassian grow rapidly in the last five years.

The Atlassian Marketplace is thriving, and offers an easy-to-access distribution channel for additional ESM capabilities

The Atlassian marketplace currently has over 5,000 apps, of which 900 relate to Jira Service Desk. Most have been provided by third parties, with Atlassian partners able to develop add-ons that extend Jira Service Desk's functionality using its public APIs and extension points. These apps can relate to any line of business. For example, the HR Workflows Bundle – a free app by Valiantys – offers preconfigured HR workflows that include on-boarding and off-boarding, holiday requests, and expenses requests. This free app has been downloaded close to 2,000 times at the time of writing. In addition, the Proforma application is available and supports a whole range of request templates.

Threats

Atlassian needs to do more with its ESM marketing messaging

On the one hand, the fact that 58% of customers use Jira Service Desk outside of IT is a testament to the company's belief that "...word of mouth gives us the advantage of reaching all service teams without having to start with the C-suite." On the other hand, this doesn't educate the ITSM industry as a whole, nor line-of-business teams in organizations that aren't "Atlassian shops." In Ovum's opinion, the high level of Atlassian's ESM success is currently a "best-kept secret" outside of its existing customer base. In FY20, Atlassian will be making significant investments in marketing its solutions for ITSM and ESM. Failing to address this will limit both the ITSM and wider ESM deals it is presented with.

Atlassian is committed to focusing on ease of set up rather than the productization of line-of-business solutions – this competitive differentiator might hurt it in the long term

In the knowledge that its focus on the ease of set up for customers is already working well for customers, Atlassian is taking a "platform not modules" view to ESM. This is a different approach to other successful ITSM tool vendors that are instead productizing line-of-business solutions. Given that the ESM market is still evolving, it is difficult to predict whether the more popular productization approach, or Atlassian's use of customer creativity and templates, will win out. In support of its

platform approach, Atlassian will continue investing in templates for quicker set up in non-IT scenarios such as HR and facilities. Interestingly, this is focused on teams – in line with Atlassian's mission to help teams – rather than being focused on the line of business as a whole.

Data sheet

Product name	Jira Service Desk	Product classification	ESM / employee support
Version number	Jira Service Desk Cloud is released on an ongoing basis and thus does not track release numbers	Release date	Jira Service Desk Cloud is released on an ongoing basis and thus does not track release numbers.
Industries covered	All	Geographies covered	All
Relevant company sizes	Targeting all companies from SMB to Fortune 500	Licensing options	Monthly or annual billing per agent: https://www.atlassian.com/licensing/jira-service-desk
URL	https://www.atlassian.com/software/jira/service-desk	Routes to market	Direct online e-commerce, partner, enterprise sales
Company headquarters	Sydney, Australia	Number of employees	3,616

Source: Atlassian

BMC Software

BMC Software was founded over 30 years ago and has offered various ITSM solutions for more than 15 years, starting with BMC Remedy. In 2018, BMC launched BMC Helix which it stated, "delivers everything-as-a-service with intelligent, omnichannel experiences in the cloud." This Market Radar covers three BMC offerings: BMC Helix ITSM which offers all the core capabilities expected of an enterprise-level ITSM solution (an earlier version, 9.1, is PinkVERIFY-certified for 11 ITSM processes); BMC Helix Business Workflows, which enables the extension of capabilities beyond IT to lines of business such as HR, facilities, and procurement; and BMC Helix Digital Workplace which provides an employee-centric front end with omnichannel capabilities. BMC targets the enterprise-sized-company market and, while it has customers in all verticals, it sees greatest traction in the financial services, public sector, telco, manufacturing, and energy industries. BMC's various ITSM solutions are used by over 2,300 customers, and the company estimates that 30–40% of these leverage BMC ITSM tool offerings for non-IT use cases. In terms of selling its ESM – or back-office digital transformation – capabilities, BMC targets existing BMC Helix ITSM customers, intermediate and high-maturity IT organizations, and digital workplace initiatives that cover HR, facilities, and procurement etc.

Company and solution analysis

Strengths

BMC is focused on employee enablement via the provision of a digital workplace

BMC has been focused on employee enablement and employee experience since the launch of its MyIT product in 2012. Now there's the BMC Helix Digital Workplace which is enabled by the BMC Helix Platform plus BMC Helix Discovery, BMC Helix ITSM, and BMC Helix Business Workflows products. Of particular note for employee enablement are the omnichannel capabilities, numerous AI use cases, and the provision of a unified service catalog across IT, HR, facilities, and other lines of business.

BMC has a long history of the non-IT use of its ITSM technology

BMC has traditionally offered customers the opportunity of additional IT and non-ITSM capabilities via custom applications built on the BMC Remedy Action Request platform. It has also offered a HR case management solution which is now end-of-life. Now though, BMC Helix Business Workflows is an application specially created for line-of-business service management (i.e., ESM use cases). The line-of-business workflows created by customers are then front-ended by BMC Helix Digital Workspace and its omnichannel capabilities.

BMC is a truly global company

BMC has a presence in many countries around the world, with this evidenced through its 45 country-specific websites. Its channel partners offer additional presences in emerging markets (as well as its mature markets), with the BMC partner network currently consisting of over 500 members. This includes strategic partnerships with leading technology companies worldwide such as Accenture, Capgemini, CGI, DXC, NTT, and Deloitte Consulting.

The use of containers means that BMC Helix solutions can run in the customer's cloud of choice

The BMC Helix Platform has a microservices architecture with integrated cognitive auto-categorization, auto-assignment, and chatbot modules that provide intelligence to apps. The use of containers allows customers to use their preferred cloud solution provider for the BMC Helix product portfolio. The use of containers for BMC Helix ITSM, in particular, has also dramatically improved the speed upgrades for customers – further alleviating a common legacy customer issue through what BMC states are now near zero-downtime upgrades.

Areas of further focus

BMC needs to double down from a marketing perspective

BMC is, of course, still a top-tier ITSM tool provider in terms of brand recognition and its positioning in various IT industry analyst reports. However, Ovum believes that its available Helix offerings and two decades of ITSM industry expertise are currently being undersold by its level of ITSM and ESM marketing. For example, while many will quickly call out BMC and Remedy when listing ITSM tools, few would mention BMC Helix ITSM. The Remedy branding is still in place for on-premises use-cases, but the important issue here is that the ITSM market and prospective ITSM tool buyers don't know enough about the key improvements BMC has made with its Helix product portfolio. It's a big opportunity to help internal and partner sales efforts.

BMC customers currently create their own line-of-business applications

Unlike some ITSM tool competitors, BMC has yet to productize specific line-of-business solutions. For example, for HR or facilities. However, BMC Helix Business Workflows does provide recommended templates, knowledge, and case types for HR, and BMC states that its no-code/low-code workflows make it easy for customers to create line-of-business solutions without coding expertise. However, the provision of productized business-function solutions will make it easier for potential customers to appreciate the available capabilities and then to speed up their implementations.

Opportunities

BMC Helix Chatbot's enterprise-level concierge capabilities offer a competitive growth driver in the ESM space

BMC's Cognitive Service Management capabilities include chatbots and virtual agents; the auto-classification, assignment, and routing of tickets; suggestions and knowledge recommendations; and proactive and preventative remediation.

The BMC Helix Chatbot, which employs IBM Watson via an original equipment manufacturer (OEM) agreement, leverages AI and natural language processing (NLP) to resolve issues through automation and to provide information from structured or unstructured knowledge sources. BMC states that the Chatbot is currently mostly used for IT and can be embedded into other applications such as MS Teams or Slack. However, it can act as a single virtual assistant across all lines of business – which offers a great opportunity for BMC to then sell-in the wider BMC Helix platform capabilities to the other lines of business.

Alternatively, it can be deployed as multiple chatbots, each being very specific to a line of business such as HR. BMC states that where multiple chatbots are deployed, each chatbot knows of the other chatbots and their specialties within the organization.

BMC's adoption of intelligent swarming is a differentiator that can be applied to other lines of business

The concept of "swarming" in support has been strongly backed by BMC as an organizational capability that addresses many of the common issues with the traditional tiered support model. With swarming, there are no tiered support groups. There are no escalations from one group to another. A case moves directly to the person most likely to be able to resolve it. And the person who takes the case is the one who sees it through to resolution. BMC helps its customers to adopt swarming and has improved its own customer support capabilities with "measured improvements across key indicators such as customer satisfaction, mean time to resolve (MTTR), and backlog size." Swarming is also an opportunity for BMC to differentiate itself from an ESM perspective and the support capabilities of other lines of business such as HR.

Threats

BMC currently sells into other lines of business "through IT" rather than directly

While BMC has already achieved significant ESM success, it currently doesn't have a full-fledged capability to market and sell directly into lines of business such as HR, facilities, and procurement. Instead, these ESM, or back-office digital transformation opportunities are commonly "land and expand" deals driven "through IT." Given the growth and maturing of the ESM market, Ovum believes that the traditional "through IT" sales approach will eventually struggle when confronted with competitor capabilities focused on attracting, conversing with, and selling directly to other lines of

business. Encouragingly, BMC has made clear to Ovum that it does have strategic intent to develop its sales approach in more directly targeting other business functions.

BMC's concurrent licensing "advantage" is potentially at risk with the addition of customer ESM needs

Concurrent licensing is great for customers of all sizes that wish to minimize the total cost of ownership (TCO) of their ITSM or ESM tool – with this providing even greater value when capabilities are extended to other lines of business. While it has long been a competitive advantage for BMC, in Ovum's opinion, the growing ITSM and ESM capabilities of ITSM tools traditionally targeted at the midmarket, especially those with similar concurrent licensing options or lower single-user pricing, are also frequently being adopted by larger enterprises, and may thus pose a threat to this competitive advantage. It is appreciated that BMC Helix is firmly positioned as an enterprise-focused solution, with BMC offering Remedyforce to small-to-medium businesses (SMBs) and midmarket companies, However, Ovum believes that the needs of lower-ITSM-maturity enterprise-sized companies will be increasingly driven by their aggregate ESM needs, not just ITSM.

Data sheet

Table 3: Data sheet: BMC

Product name	BMC Helix	Product classification	ESM / employee support
Version number	19.05	Release date	May 2019
Industries covered	All	Geographies covered	All
Relevant company sizes	Enterprise and large enterprise	Licensing options	Named or active users
URL	http://www.bmc.com/helix	Routes to market	Direct, indirect, GOSI
Company headquarters	Houston, TX US	Number of employees	6,000

Source: BMC

Cherwell Software

Cherwell Software was founded in 2004 with its first product being released in 2007. Its ITSM solution – Cherwell Service Management – is available via a variety of delivery models. While Cherwell targets companies with between 2,000 and 20,000 employees that value the concurrent licensing option and want to see a rapid "time to value," it's increasingly seeing inquiries from larger enterprises – stating that 30% of its current pipeline is companies with in excess of 20,000 employees. From an ITSM perspective, Cherwell Service Management offers all the core capabilities required for IT service delivery and support. Plus, ITAM capabilities, including software asset management (SAM), thanks to the acquisition of Express Metrix in 2014. In terms of ESM, Cherwell was one of the first ITSM tool vendors to consistently market its possibilities. It's therefore not unsurprising that Cherwell states that nearly 70% of its circa 2,000 customers use their solution outside of IT and that it sees greatest traction with the higher education, state/local government, and healthcare verticals. In early 2017, the company secured \$50m in funding from global investment firm KKR, with an additional \$172m

secured (again from KKR) in 2018. This allows Cherwell to significantly invest in its product including its employee enablement capabilities, sales and marketing, and the international expansion that will help to drive market share growth.

Company and solution analysis

Strengths

Cherwell is laser-focused on employee experience, with this front and center in its marketing and sales messaging

Cherwell is at the front of the ITSM tool pack when it comes to employee enablement and employee experience. This is on multiple levels – from the usability of its solution (for both "process users" and the served employees), through capabilities designed to improve the employee experience, to the extension of the solution's capabilities to other lines of business such as HR, facilities, and legal. Of particular note is Cherwell's UX research aimed at making their software more aligned with how employees want and need to work.

Cherwell's multiple delivery options and concurrent licensing option offer choice and greater value to customers

Cherwell Service Management is available on-premises, via the cloud delivery model, and via a hybrid model. The offering of concurrent licensing is also a key differentiator for Cherwell in certain industry verticals and in larger deals in particular – helping to minimize the TCO for customers versus competitor offerings.

Codeless capabilities and Cherwell mApps help customers to gain greater value from their investment in Cherwell Service Management

Codeless capabilities provide customers with the ability to configure, customize, and integrate third-party solutions without the need to code. The codeless design of Cherwell Service Management also enables Cherwell's "mergeable applications" (mApps) – extended capabilities that can be added, by Cherwell customers or partners, without complex application development. Cherwell's mApp Exchange allows customers to locate, exchange, and collaborate on a variety of existing mApp solutions. Cherwell's plans to decouple its platform from the content will also allow it to play in the business process management (BPM) space in the future.

KKR's investment in Cherwell offers the company a significant war chest to drive capabilities and market share

The KKR investment is being used to drive growth, in particular through new capabilities (including those that support employee enablement and ESM) and Cherwell's continued global expansion. The effects of this investment are already visible from a marketing perspective in particular.

Areas of further focus

Cherwell is a global company but still needs to expand its international presence

Cherwell has historically been a stronger player in North America and EMEA than in the rest of the world, with a need for a greater presence internationally. This situation is changing, with Cherwell now having offices in Australia, Germany, and the UK, plus a sizable partner network. However, the company still has more to do in terms of creating a "right-size" global partner ecosystem that matches

its global ambitions – with the outcomes of the second KKR investment key to onboarding new partners around the world. Cherwell is progressing a new partner program and states that partner enablement is an imperative.

Cherwell is late to the ITSM tool market with AI, but this is by design

Cherwell is very honest about it being behind some competitors in terms of the AI-enablement of service and support. The vendor has taken its time in deciding how best to support customer demands for AI-enabled service and support capabilities with the best possible technology – recognizing the trade-off between complexity and effort/cost for customers. Cherwell is currently in final OEM negotiations, and proofs of concepts with customers, for including HCL's DRYiCE™ LUCY AI-enabled cognitive virtual assistant in its platform. There is, however, now a need for Cherwell to speed up the availability of its AI capabilities as the ITSM industry brings the initial hype of AI into real-world opportunities for service and support teams to be "better, faster, cheaper."

Opportunities

Improve awareness around the value it offers

Cherwell has long appeared as a top-tier ITSM tool in industry comparison reports, yet its global awareness levels don't reflect this. The company is definitely improving rapidly in this area though. In the last 12 months, Cherwell has significantly upped its marketing efforts – from advisory papers, through webinars, to its social media presence. Plus, the employment of the marketing personnel that make all this happen. Cherwell currently has the opportunity to make a step-change in its global awareness level and the associated potential for market share growth.

Cherwell should differentiate itself based on its productized ESM applications

Cherwell is one of the few ITSM tool vendors that has already successfully delivered productized versions of its ESM capabilities. These are Project and Portfolio Management (PPM), HR Service Management (HRSM), Information Security Management, and Facilities Management applications. Cherwell's headstart on many of the other ITSM tool vendors, in ESM terms, should be used as a growth platform – whether selling "through IT" or directly to the addressable lines of business. The combination of employee-experience-based enhancements and the introduction of line-of-business-specific AI-enablement will further differentiate Cherwell for back-office digital transformation opportunities until the ITSM market as a whole catches up.

Threats

Cherwell doesn't presently have the ability to market and sell directly to other lines of business

Like most ITSM tool vendors, Cherwell is currently selling its ESM capabilities "through IT." In many instances, this is either a "land and expand" approach, starting with an ITSM deal, or the winning of wider-enterprise deals via the IT department. Cherwell states that 2020 will see a shift in its go-to-market strategy that facilitates line-of-business-based sales and marketing. Not to do this, and sufficiently well, will leave Cherwell trying to win over non-IT teams, in potential customer organizations, (via the IT department) that have already been subject to competitor sales and marketing efforts that are aimed directly at them.

Cherwell must ensure that it successfully balances its old and new products and opportunities

While Cherwell is commended for its investment in productizing key ESM scenarios and the associated marketing efforts, it now finds itself in a "plate-spinning" situation – needing to maintain its position and growth in the ITSM space while also capitalizing on the headstart it has in the ESM space, especially with newer ITSM tool market entrants nipping at its heels. The 2018 opening of a Cherwell European Research and Development Centre in Dundee and the expanding marketing team are both good signs that Cherwell is focused on keeping its "primary plate" spinning.

Data sheet

Table 4: Data sheet: Cherwell

Product name	Cherwell Service Management	Product classification	ESM / employee support
Version number	9.6	Release date	June 2019
Industries covered	All – focus on education, healthcare, government, retail, finance/insurance, and manufacturing	Geographies covered	North America, LATAM, EMEA, English speaking Asia-Pacific
Relevant company sizes	2,000 employees and up	Licensing options	Concurrent, subscription
URL	www.cherwell.com	Routes to market	Direct, channel
Company headquarters	Colorado Springs, CO, US	Number of employees	575+

Source: Cherwell

Freshworks

Freshworks was founded as Freshdesk, offering its Freshdesk customer support product, in 2010. Freshservice is currently one of seven Freshworks products, with the cloud-based ITSM solution having been available for five years. The target market for Freshservice is SMBs through midmarket, although Freshworks states that it sees more large organizations adopting Freshservice than the other products in its portfolio. In respect of its target market, the solution offers the expected ITSM capabilities along with a native application. Freshservice is an employee-focused solution by design, with it continuing the initial vision for Freshdesk: first, by providing a mechanism for a better customer experience, and second, by providing service and support capabilities that are built around the need for greater employee engagement. These are underpinned by Freshworks' strategy to provide intuitive products that are easy to set up and to use. In terms of ESM, it's a growing area for Freshworks, with the company stating that circa 20% of customers use Freshservice for non-IT use cases – with HR, facilities, finance, and marketing being the lines of business currently seeing greatest traction.

Company and solution analysis

Strengths

Freshworks offers a portfolio of products that extend employee enablement beyond ESM

Freshworks is one of a few successful ITSM tool vendors that started with a solution focused outside of IT, with Freshdesk for external customer support. The Freshworks product portfolio offers specific line-of-business solutions for sales, marketing, and HR – but Freshservice is still what provides work and workflow enablement across these and other business functions in terms of ESM (bar customer service management, which is enabled by Freshdesk in the main).

Freshworks is enabling customer IT self-service success

IT self-service has been an issue for IT departments for the last half-decade. The technology is implemented, but customer organizations then struggle with employee adoption. Freshservice stands out here from both a product and professional services perspective, with its customers reporting significant jumps in employee self-service. Freshworks is also doubling down on this success with the vision of taking self-service to employees rather than expecting them to search out the corporate self-service portal. Additionally, a new AI-enabled conversational self-service experience is designed to lift employee self-service adoption levels even higher.

Freshworks is investing in its own AI-based capabilities

The Freshworks AI capability is called "Freddy." Freshworks states that Freddy is fully developed in-house, but that the ML models that power it utilize some third-party technology components. Freddy is currently aiding customers with self-service and support agent assistance, although it's only currently being provided to new Freshworks customer accounts. Freddy is also providing intelligent automation for ticket handling to over 1,000 customers – across the Freshworks product portfolio – using historical patterns to automatically categorize, prioritize, and route tickets to the right teams. Freshworks states that customers can also use natural language processing (NLP)-based language querying for reporting – where the user could simply ask, "Show me SLA-breached tickets in the last month" to get the answer rather than needing to create and run a report.

Freshworks already has a strong and growing global partner ecosystem

For a company that is still relatively new, Freshworks already has a large partner ecosystem. While it is appreciated that partners will offer services that cover more than Freshservice, the 101 ISV partners, 10 SI partners, and 60 resellers (at the time of writing) is a company strength that will continue to see it grow beyond its current 35,000+ paid customer base (across all products).

Areas of further focus

Freshworks "twin-engine" model for growth is working well, but there's scope for greater marketing and sales support for ESM

Freshworks' initial success leveraged an inbound sales model for SMBs. This has been complemented by an outbound mechanism for midmarket and enterprise sales. Both routes are supplemented by significant investments in pay-per-click (PPC), SEO, content marketing, and advertising for ITSM. Both PPC and SEO are also being used effectively to promote Freshservice for ESM. However, the available marketing collateral to back up Freshservice's ESM credentials needs to be improved.

While Freshworks has invested in AI-enabled capabilities for service and support, there's still more to be done

Freshworks' Freddy places the company as an early provider of AI-enabled capabilities for service and support (in the ITSM space), albeit initially only to select customers. However, as evidenced in the associated Ovum Employee Enablement Capability Matrix, there are still aspects of AI-enablement for service and support to be delivered upon. For example, predictive modeling for IT, HR, and other lines of business.

Opportunities

Freshworks is ideally positioned to exploit customer demand related to employee enablement and employee experience

Thanks to Freshworks external customer support origins, Freshservice is designed for omnichannel support (email, phone, chat, a self-service portal, mobile app, a conversational portal that leverages AI, Slack, and MS Teams integrations, etc.). This and its employee-first thinking and design places it well to benefit from the growing corporate interest and investment in upping employee productivity – and consequently business outcomes – through better service and support.

Freshworks is still selling Freshservice to other lines of business "through IT"

While Freshworks has ambitions to take its ESM success further, such as with more customers employing it for non-IT use cases, it currently doesn't have a full-fledged capability to sell directly into HR, facilities, etc. directly. It has taken the first steps (via the aforementioned PPC and SEO spend in particular) and, if continued, a well-developed capability for attracting, conversing with, and selling into other lines of business will not only help customers with their back-office digital transformation needs but also provide more opportunities that don't start with IT and ITSM.

Threats

Freshworks hasn't productized specific business function solutions yet

Freshservice offers apps, templates, and workflows for employee onboarding (as a pre-built HR module) but beyond this, there has been no productization of common non-IT use-case scenarios. However, Freshworks states that it has the creation of productized solutions for the most popular non-IT use case scenarios on its product roadmap. The availability of such solutions will both speed up customer implementation and make it easier for prospects to appreciate the available capabilities. Freshworks will be at a disadvantage in the growing ESM space if it fails to deliver and adequately market these in the next 18 months.

Freshservice is a cloud-only solution

All Freshworks products are designed for, and provided via, the cloud delivery model. While cloud adoption continues to grow, being a cloud-only solution that leverages AWS places Freshservice at a disadvantage with customers that wish to – or are mandated to – use an on-premises, or hybrid, model or want to run applications in corporately preferred cloud environments. It is also potentially a threat for the extension of Freshservice's use to other lines of business, in particular for HR.

Data sheet

Table 5: Data sheet: Freshworks

Product name	Freshservice	Product classification	ESM / employee support
Version number	N/A	Release date	N/A
Industries covered	All	Geographies covered	127 countries
Relevant company sizes	SMB, midmarket, enterprise	Licensing options	SaaS
URL	freshservice.com	Routes to market	Direct, reseller
Company headquarters	San Mateo, CA, US	Number of employees	2,600

Source: Freshworks

IBM

IBM offers a comprehensive and competitive set of employee support capabilities that support businesses looking to embark on an ESM initiative. IBM Control Desk for Maximo is an add-on to Maximo Asset Management that delivers some interesting possibilities around how physical and virtual workplace assets can be managed. This is an interesting value proposition, as ESM should help businesses manage a broad set of different types of assets, not just traditional technology ones. The diverse amount of data and insight that can be derived from the management of a broad enterprise asset ecosystem can be valuable for organizations looking to improve the employee experience. Through a range of acquisitions and strategic shifts over recent years, IBM's offering is not as refined or cohesive as some competitive solutions, making its exact ESM value proposition one that can be quite difficult to understand.

Solution and company analysis

Strengths

Integration of IBM Control Desk and Maximo presents an interesting opportunity around how people and things can be managed

The wealth of data on people and things that can be gathered and managed via IBM Maximo presents IT departments with some interesting opportunities to improve service management activities and to increase business agility. The integration of IBM Control Desk and Maximo presents businesses with capabilities that enable them to create automated workflows that span both physical and digital assets, and to also manage change and services across a wide variety of different asset types via a single platform.

Strong channel partner network and diverse set of IBM Maximo use-cases

IBM boasts a strong channel partner ecosystem that delivers specialized, industry-focused solutions, including IBM Maximo. This channel partner network accounts for around 60% of Maximo-related sales according to IBM. IBM Maximo also supports businesses across a range of different industries

and use-cases. IBM has productized offerings that focus around specific verticals including transportation, and energy and utilities. Whilst these productized offerings are built around Maximo and not service-management centric, the improved integration from IBM Control Desk presents some interesting, possibly vertical-focused use-cases.

Cognitive assistant capabilities show promise

IBM's cognitive assistant capabilities have been developed to empower both IT admins and non-technical employees. The cognitive capabilities can be used to support end-users and improve the first response process, and to also listen in to employee interactions and proactively suggest solutions and knowledge through curating and leveraging knowledge management systems. There is still room for improvement here, but the capabilities currently offered are encouraging.

IBM has a good enterprise footprint

Due to the variety of different technology solutions that IBM offers, coupled with its experience in working with large multinational corporations, the vendor has a well-established presence in the enterprise space. This is something the vendor could take advantage of in broadening understanding amongst businesses globally of the evolving service management value proposition and how its ESM (ESM) offering can help businesses deliver against it.

Areas of further focus

ESM value proposition is not as refined as some competitive offerings

Ovum finds IBM's product portfolio to be quite confusing and somewhat fragmented, particularly around how it is marketed. The diversity of solutions offered, and the many different brands these fall under, make it difficult to understand which solutions or set of products support which business outcomes and objectives. Rationalizing its different offerings and refining its go-to-market approach and messaging, particularly around the ESM use-case, would be advantageous.

Further improve automation and AI capabilities

IBM has a good pedigree with automation and AI capabilities, largely via solid market awareness of its Watson technology, but there are some gaps versus the Ovum capability criteria related to automation and AI capabilities. For example, it is not currently possible to have incidents and requests automatically raised and resolved via the virtual agent, nor can predictive models be created that enable the automatic prioritization, classification, assignment, and routing of service requests and incidents based on past activity of how these records have been managed. As virtual agents are becoming an increasingly important method by which employees are choosing to interact with different business workflows and processes, IBM should look to further improve Control Desk's functionality here. Ovum does, however, appreciate that IBM has plans to expand its capability here based on these customer demands.

Opportunities

Native modules for business units beyond IT

In offering native, dedicated non-IT modules and capabilities, such as customer services, HR, or facilities management, IBM has an opportunity to extend the appeal of its service management offerings into the broader business. Competitive offerings in the service management space are increasingly adopting this more focused and dedicated approach to support other business units with dedicated capabilities, so it should be an opportunity IBM looks to explore. It must be noted that

dedicated modules for Facilities Management and Enterprise Asset Management, with industry specific and other add-ons, do exist within Maximo Asset Management.

Integration with Maximo can help broaden adoption of IBM Control Desk

Maximo Asset Management currently has many more customers than IBM Control Desk. The combined capabilities of these products will provide many of these customers with new value opportunities, specifically that of managing connected enterprise assets holistically with IT. The opportunity for IBM is in upselling Maximo customers on the newly integrated Control Desk service management capabilities. It may be that if this adoption trend gathers momentum, that IBM looks to deliver them via a single and more cost-efficient licensing model.

Threats

Lack of market awareness and understanding around IBM's exact service management value proposition

Ovum finds that IBM's competitors in the service management space have more refined and understandable go-to-market approaches and messaging. Regarding ESM, IBM offers a range of different solutions that fall under multiple brands – this makes understanding its cohesive offering quite difficult and, understandably, makes it quite challenging to effectively market. IBM offers a very capable solution, so refining its proposition and go-to-market strategy, specifically in making it more cohesive, would help the company better compete with other vendors in the space. The insight around enterprise assets that Maximo can deliver, coupled with IBM's strong heritage around cognitive capabilities, are two notable areas that could help IBM better grow market interest and traction around its service management offerings.

Single platform offerings that have more attractive licensing models

IBM Maximo is an important complement to IBM Control Desk in delivering many of the employee support features and capabilities that enterprises are increasingly demanding. Simplifying its offerings and license structure around the broader ESM opportunity would aid in reducing some of complexities around IBM's proposition, and help improve adoption.

Data sheet

Table 6: Data sheet: IBM Control Desk

Product name	IBM Control Desk	Product classification	ESM / employee support
Version number	7.6.1	Release date	7.6.1: Dec 2018
Industries covered	All	Geographies covered	all
Relevant company sizes	Medium to very large	Licensing options	Perpetual, fixed term, monthly, SaaS subscription – metrics are authorized user and/or concurrent user
URL	https://www.ibm.com/us-en/marketplace/it-service-management	Routes to market	Direct, BP, digital
Company headquarters	Armonk, NY, US	Number of employees	360,000 (estimate)

Source: IBM

Ivanti

Ivanti's mission is to enable IT departments with the capabilities required to support important digital transformation efforts. The vendor offers five core solution sets as part of the Ivanti Unified IT strategy: Endpoint Security, Unified Endpoint Management, IT Asset Management, Service Management, and Identity Management. Depending on customer need, the solutions can be deployed either individually, or in combination. These solutions are all underpinned by discovery, reporting and analytics, and automation capabilities. Ivanti Cloud offers a further layer of additional capabilities, including data services, a natural-language query engine to mine data in real time, and ML that can be deployed alongside Ivanti's core offerings. Service management has been an important focus for Ivanti for many years, with Ivanti Service Manager being the vendor's flagship solution in this area. Ivanti Service Manager can be deployed via the cloud or on-premises, and has been developed to offer strong automation capabilities. It is PinkVERIFY-certified for 13 ITIL processes in addition to achieving FedRAMP status – a US government-wide program that provides a standardized approach to security for cloud products and services. Ivanti advises that its service management solutions have been used across the enterprise space for some time now, with the use of self-service and the automation of workflow by non-IT business units being increasingly common.

Solution analysis

Strengths

Ivanti offers a broad set of tightly integrated capabilities that extend beyond purely ITSM

In addition to its service management solution, Ivanti also offers a range of other well-established standalone solutions developed to satisfy different use-cases. Together these tools offer a unified value proposition for businesses looking to deliver against common digital objectives, including

workplace mobility and the need to improve employee productivity. These capabilities are brought together under the Ivanti Unified IT strategy, and are offered via a licensing structure that accommodates businesses wishing to adopt either the complete suite, or just a subset of the offerings. These additional capabilities put Ivanti in a unique position when compared to other vendors that play purely in the service management space.

Simple license model

Ivanti recently introduced a more simplistic licensing model that makes it easier for businesses to track the license costs associated with the Unified IT solution. Customers can choose to license all five core Ivanti Unified IT capabilities using its Enterprise License Agreement (ELA), or just subscribe to any two (subscription by end-user) using their "Pick 2" model. This new license model was launched by Ivanti in 2018 and compliments their existing Service Manager licensing models of Named or Concurrent users. Ivanti Cloud is also embodied within this licensing model and is offered free for to those customers who choose to adopt all five of Ivanti's core capabilities via the ELA.

Ivanti's Hub and bot capabilities help make self-service easily accessible for all employees

Ivanti Hub is an easily accessible virtual support agent that resides on employees' desktop or mobile device. The Ivanti Hub offers a new dynamic in self-service and negates the need for users to navigate complex portals. Via the Hub, employees can raise incidents and requests for new services, quickly view updates on existing cases, and access valuable knowledge. Employees can interact through a conversational interface with the self-service bot that has been developed with the intention of making it easier and faster for employees to locate information and raise new requests with natural language processing that is built into the bot, powered by Microsoft LUIS. The Ivanti Hub is available at no cost to all Ivanti Service Manager customers across different device types and operating systems, both mobile and traditional.

Low-code capabilities

Ivanti offers no-code development capabilities that enable employees with little or no coding experience to design and manage their own request offerings and custom workflows. No-code/low-code capabilities are important in helping empower employees across different business functions and in extending the value of service management beyond purely IT.

Areas of further focus

Supporting ESM capabilities

By design, Ivanti's marketing and service manager capabilities are still very much centered around the ITSM use-case and value proposition. Whilst it is a solution used beyond just IT, developing its ESM focused messaging and marketing and introducing modules tailored to other business functions outside-the-box would be a positive move from the vendor.

Peer benchmarking capability would be a welcome feature

Anonymized benchmarking data that provides visibility into KPIs and delivers a comparative perspective of the global benchmarks, averages, and trends of industry peers can be very useful in helping businesses understand how effective and efficient their own service management practices are. Additionally, this type of insight can be useful in helping businesses understand where they may need to improve. Benchmarking capabilities such as this are becoming more commonplace in the realm of service management tools, with them often being embedded within other reporting and

analytics capabilities. They can be especially useful when providing insights into service management use-cases across different industries. They would certainly be a welcome addition to Ivanti's offering, especially given the breadth of Ivanti's Unified IT offering.

Opportunities

Helping businesses better understand and measure employee experience

Employee experience is a topic of much industry focus at present, but accurately measuring and being able to report on how the employee experience looks is proving somewhat of a challenge. More traditional metrics will have a place here, but an opportunity exists to develop new ways of measuring and discovering how engaged employees are at work. This should be an opportunity of keen interest for vendors like Ivanti as ESM brings two key business functions together in IT and HR that both have a keen interest in the employee experience. The challenge for service management vendors is to develop compelling metrics and platform capabilities that these functions will jointly value and rely on to better understand and measure the employee experience being delivered. Doing so will potentially make service management solutions an even more attractive solution for enterprises, not just for IT.

Continue to develop AI and ML capabilities

Ivanti has already made good progress in how it is using AI as part of the Ivanti Hub. The opportunity for the vendor now is to continue to exploit AI and ML capabilities in further improving its service management solution. Improving the way IT administrates work by dynamically presenting "suggested next steps" as part of the incident logging and resolution process, and training chatbots in the language, terminology, and around the nuances associated with particular businesses and industries, are good examples of areas for potential focus here.

Threats

Enterprises choosing best-of-breed solutions as opposed to a single suite

Enterprises now have vast choice over the technologies they choose to adopt, and integrating best-of-breed systems and solutions is far less of a headache than it had been in the past. These and other factors mean that businesses are no longer reliant, nor overly attracted, to a single supplier approach across different capabilities as was common in the past. This trend represents a threat to Ivanti, especially as the vendor tries to improve adoption around its broad Unified IT platform proposition.

IT-first model may limit appeal of solution to wider business

By design, Ivanti is very much focused on entering the enterprise via the IT department. However, some of Ivanti's competitors in the space have embraced a go-to-market approach that more directly targets a particular functionality (e.g., such as is used by HR). Additionally, these solutions also offer a broader range of service management modules and capabilities that have been designed specifically to satisfy use-cases presented by business functions beyond just IT. Ivanti's approach and strategy here is slightly different, and for businesses committed to an ESM approach, the more dedicated and comprehensive ESM solutions on offer may be of greater appeal.

Data sheet

Table 7: Data sheet: Ivanti

Product name	Ivanti Service Manager	Product classification	ESM / employee support
Version number	2019.1.1	Release date	May 2019
Industries covered	All	Geographies covered	North and South America, EMEA, Asia-Pacific
Relevant company sizes	1,000+ end users	Licensing options	Fixed and concurrent / cloud and on-premises
URL	https://www.ivanti.co.uk/	Routes to market	Indirect via partners, and direct
Company headquarters	Utah, US	Number of employees	1,700+

Source: Ivanti

ManageEngine

ManageEngine was created in 2002 as the enterprise IT management division of Zoho Corp (Zoho was founded as AdventNet in 1996, and renamed in 2009). ManageEngine's ITSM solution – ServiceDesk Plus – was launched in 2005 and is targeted at SMBs but can also sell into the midmarket. Interestingly, ManageEngine describes the product as "IT helpdesk software," likely for better SMB awareness and traction, despite ServiceDesk Plus offering ITSM-tool capabilities that align with ITIL. ManageEngine states that it has seen the most traction for ServiceDesk Plus in the education, healthcare, engineering and manufacturing, and IT/technology verticals. In terms of ESM, ManageEngine estimates that circa 5% of its cloud customers have started using ServiceDesk Plus as an enterprise service desk solution in the last 18 months. ManageEngine also has as an external customer support product – SupportCenter Plus – and Zoho offers a variety of line-of-business solutions outside of ManageEngine. To complement the capabilities of ServiceDesk Plus, ManageEngine also offers additional IT management products and free tools including AssetExplorer for ITAM.

Company and solution analysis

Strengths

Zoho is experienced in providing line-of-business solutions that enable employees

While ManageEngine is the enterprise IT management division of Zoho, the company as a whole already offers line-of-business solutions for sales and marketing, finance, and HR. For example, Finance Plus for finance teams and People Plus for HR. It also offers Workplace – a solution that includes an office suite and communication and collaboration tools for employee enablement.

ManageEngine has achieved global success with ServiceDesk Plus

ManageEngine states that it has over 180,000 customers in over 190 countries, with ServiceDesk Plus used by over 100,000 customers across 185 countries. As a private company, Zoho Corp doesn't

release customer and revenue data; however, region-based revenue-percentage data for ServiceDesk Plus shows that ManageEngine has been successful across North America, Latin America, Asia-Pacific, and EMEA. ManageEngine also has an extensive network of partners around the world that support its wider product portfolio.

ManageEngine is focused on the key drivers for delivering better employee enablement and experience

ManageEngine's product roadmap covers a number of areas that will help to enhance employee engagement and employee experience for customers. The currently cloud-only enterprise service desk capabilities are to be added to the on-premises product, plus an enhanced facilities service desk will be available in the cloud version. With Zia (Zoho Intelligent Assistant) – a set of technologies built by Zoho to bring intelligence and automation to workflows – there are new AI-powered service management capabilities, initially focused on ITSM. Zia chat and voice bots with natural language processing (NLP) will be available in the on-premises version of ServiceDesk Plus. Zia ML as an intelligent assistant – for ticket auto-assignment, service level agreement (SLA) breach predictions, and auto-suggest knowledge base articles – will be available in both the cloud and on-premises versions. These AI-enabled capabilities will also become available in ESM scenarios.

ManageEngine hosts ServiceDesk Plus in its own data centers, but there's also greater choice for customers

ServiceDesk Plus is available via the on-premises and cloud delivery models, and while ManageEngine hosts the cloud version in its own data centers, with no dependencies on third parties, customers can alternatively choose to use AWS or Microsoft Azure instead. However, the ESM capabilities – including the ability for customers to add an additional line-of-business service desk in 60 seconds – are not currently available with the on-premises offering, and so this is a product roadmap item.

Areas of further focus

ManageEngine has forgone the industry-recognized term "ESM" in its marketing in favor of "enterprise service desk"

While ManageEngine's marketing team is correct in stating that it provides enterprise service desk capabilities (as do most major ITSM tool vendors), it does itself a disservice in doing so. It's similar to the naming of ServiceDesk Plus, which belies its wider ITSM capabilities, and its marketing as an "IT help desk." Ovum appreciates that this approach has worked well for ManageEngine, in the SMB IT help desk space in particular, but it will limit the company's ability to proactively sell its ESM capabilities to an ITSM industry where organizations are looking for "ESM."

ESM is still relatively new for ManageEngine, which shows in its level of related marketing collateral

In the past, ManageEngine customers that wanted to use ServiceDesk Plus in different line-of-business scenarios would "buy separately." To provide a better solution, the ManageEngine enterprise service desk capability was launched at the end of 2017. However, over 18 months on, there's still little related marketing collateral and other guidance available to both existing and prospective customers. Ovum appreciates ManageEngine's strategy of maximizing its R&D investments and keeping sales and marketing expenditure to a minimum. However, the latter is not viewed as advisable here, in what is firstly a still-evolving market, and secondly a new market for them.

Opportunities

ManageEngine has the weight of Zoho's customer base behind it

ManageEngine is an ITSM tool vendor that not only provides a wide portfolio of IT management capabilities through its parent company Zoho, it also has access to non-IT customers. As Zoho's marketing describes it, it is a "Unique and powerful suite of software to run your entire business." This offers up a large customer base that is already using Zoho's offerings, for example for sales and marketing, finance, and HR, and therefore an existing customer base for ManageEngine to market and sell its ESM capabilities to.

ManageEngine and its customers will benefit from productized line-of-business solutions

Customers wishing to use ServiceDesk Plus in other line-of-business scenarios currently need to create their own enterprise service desk variants. However, the leaders in the market have moved on from this approach, instead productizing specific line-of-business solutions (e.g., HR or facilities). ManageEngine already has an enhanced facilities service desk on its product roadmap for the cloud version of ServiceDesk Plus, but the provision of even more productized business-function solutions will make it easier for potential customers to appreciate the currently available capabilities, and then to speed up their implementation, ultimately making it easier for ManageEngine to market and sell ServiceDesk Plus to organizations seeking more than an ITSM tool.

Threats

ManageEngine sells "through IT," putting it at a disadvantage versus ITSM tool vendors with more mature ESM capabilities

ManageEngine doesn't yet have a capability to market and sell its enterprise service desk directly into lines of business such as HR, facilities, and procurement. Instead, its ESM opportunities are "land and expand" deals sold and driven "through IT." With the traditional "through IT" approach struggling when confronted with competitor capabilities focused on attracting, conversing with, and selling directly to other lines of business, in Ovum's opinion, the growth in, and maturing of, the ESM market will necessitate that ITSM tool vendors have line-of-business experts across product management, marketing, and sales.

ManageEngine is at risk of losing customers, and new deals, to relatively new market entrants

The combination of the two aforementioned "areas of further focus" places ManageEngine in the unenviable position of "flying below the ESM radar," with both existing and potential customers either unclear or unaware of the company's ESM capabilities (and ambitions). It makes them increasingly vulnerable to both new market entrants that are promoting their ITSM and ESM capabilities, plus traditional ITSM tool vendors that have received third-party funding to grow their businesses via product innovation and greater marketing.

Data sheet

Table 8: Data sheet: ManageEngine

Product name	ServiceDesk Plus	Product classification	ESM / employee support / ITSM
Version number	10510	Release date	August 2019
Industries covered	All	Geographies covered	North America, LATAM, EMEA, Asia-Pacific, Australia, and New Zealand
Relevant company sizes	SMBs to enterprises	Licensing options	Based on number of technicians and IT assets managed
URL	servicedeskplus.com	Routes to market	Direct sales, partners, and system integrators
Company headquarters	Austin, TX, US	Number of employees	2,500+

Source: ManageEngine

ServiceNow

In the last decade, ServiceNow moved beyond the IT ITSM tool market to offer customers a cloud-based platform and a variety of work-improving solutions that it states, "help customers to deliver digital workflows that create great experiences and unlock productivity." ServiceNow IT Service Management offers all the core ITSM capabilities that customers expect in an enterprise-level ITSM solution, with the ServiceNow Madrid release PinkVERIFY-certified for all 16 of the reviewed processes. ServiceNow also offers additional IT management capabilities such as ITAM, Agile Project and Portfolio Management (PPM) and Application Portfolio Management (APM), IT operations management (ITOM), governance, risk, and compliance (GRC), security operations management, and DevOps solutions. From an ESM perspective, ServiceNow has productized its most popular use-case scenarios and plans further line-of-business additions in the future – all based around employee enablement and a better employee experience. For example, the ServiceNow HR Service Delivery application automates HR interactions, such as case management and employee onboarding, and soon will see the release of a focused "finance close" application for finance departments. In addition to the productized Service applications, the Now Platform™ and the Now Platform App Engine also allows customers – including employees with no coding experience or skills – and partners to create additional enterprise digital workflow apps.

Company and solution analysis

Strengths

ServiceNow offers a wide portfolio of line-of-business work-enablement capabilities that go way beyond enterprise ITSM needs

ServiceNow states that its customers usually buy more than just an ITSM tool, with 17 of the top 20 new deals in 1Q19 including three or more products across: The Now Platform (19 customers), ITSM

(15), Customer Service Management (8), Human Resources (5), and Security Operations (4). ServiceNow states that it has seen big growth in HR use in particular – where it complements customers' existing human capital management (HCM) systems, (i.e., ServiceNow only delivers the service delivery piece for HR departments). ServiceNow is also exploring legal and marketing applications as part of its productized ESM portfolio.

ServiceNow is investing heavily in employee enablement through what it calls "the future of work" research

ServiceNow recognizes the need to not only augment "people capabilities" with automation and AI, but also the need for its technology ecosystem to be built around the people that use it and how work happens "in the real world." To support this, the company has a team focused on user research that assesses how people actually work within their physical workspace. This research will help to deliver common UI elements across ServiceNow apps in the Orlando (1Q20) and Paris (3Q20) releases. Employee experience is one of ServiceNow's four product investment themes, and this is enabled by the other three themes: velocity, service experience, and intelligent automation. As a result, ServiceNow entered 2019 with an amplified focus on employee experience in both its product development and messaging. For example, in the New York release (3Q19), ServiceNow will introduce mobile onboarding capabilities – via a purpose-built employee mobile app – that provides new employees with guides and to-dos across all departments, including IT and HR.

The Now Platform provides customers with the ability to create their own line-of-business workflow apps

The Now Platform offers up many of what ServiceNow sees as its key competitive differentiators for both IT and non-IT use cases:

- Its three-tier logical architecture model.
- The provision and management of its own infrastructure for full control and redundancy (although, as of July 2019, Azure is now an option for enterprise customers in certain highly regulated industries and government customers).
- Platform-based capabilities across security, core services, no- low- and pro-code capabilities, dev tools, user experience and notification services, intelligent automation, and integration services.

There are also over 500 enterprise workflow apps, from over 300 partners, in the ServiceNow store that complement and extend ServiceNow's line-of-business capabilities.

ServiceNow has invested in its own AI-based capabilities – but there's an IBM Watson integration for customers that want it

ServiceNow Agent Intelligence is a platform function that provides AI-enabled features and capabilities across ServiceNow applications. For example, it allows customers to use ML algorithms for incident categorization – where predictive models can be trained to automatically categorize and route work based on past experiences. The ServiceNow Virtual Agent is a conversational bot platform for providing user assistance through conversations within a messaging interface, including third-party messaging applications such as Slack, Microsoft Teams, and Workplace by Facebook. A Virtual Agent Designer is provided to develop, test, and deploy bot conversations, and predefined topics are available for ServiceNow's Customer Service Management, HR Service Delivery, and IT Service

Management applications. In the New York release, ServiceNow will introduce natural language understanding for intent comprehension along with language translation.

Areas of further focus

ServiceNow's current AI capabilities have limitations

While ServiceNow is one of the first ITSM tool vendors to place AI-enabled capabilities in the hands of its customers, its gaps in the Ovum Decision Matrix criteria relate to ML; for instance, whether the virtual agent can learn from its experience and modify itself to ensure it remains relevant, or whether knowledge article creation can be technology-assisted via ML. However, Ovum appreciates that ServiceNow is consistently adding out-of-the-box learnings that can be leveraged and has plans to further add to its current AI-enabled capabilities based on future customer demand.

Customers are required to "upgrade" at least once per year

ServiceNow offers two new releases per annum, and to help customers to fully benefit from new capabilities it operates an N-1 support policy (i.e., customers are required to upgrade at least once per year). It's a double-edged sword for customers in that, on the one hand, they receive access to ServiceNow's latest innovations. But on the other, it does require the time and effort of changing something that might already be providing everything that's currently needed (or within the customer's capacity to consume) – with this likely to be applicable across multiple lines of business. To help, ServiceNow provides an Automated Testing Framework to automate most of the upgrade testing, stating that this substantially eases the customer upgrade process.

Opportunities

ServiceNow should market its reporting and analytics capabilities more, including how it can help customers to better measure the employee experience

Industry research shows that the average ITSM tool's reporting and analytics capabilities are deemed to be subpar by customers. Hence, ServiceNow could, and should, better differentiate itself in this area (based on the additional value opportunities), because, in addition to ServiceNow Reporting, ServiceNow Performance Analytics is an in-platform analytics application for customers that need to create management dashboards (across line-of-business use cases), and report on key performance indicators (KPIs) and metrics in making more informed decisions. Plus, the ServiceNow Benchmarks application gives customers visibility into their KPI trends, as well as comparative insight relative to their industry peers. ServiceNow also offers insight into employee experience via traditional surveys, third-party monitoring products that measure employee experience (such as Nextthink), or more people-intensive solutions such as HappySignals' NPS-based employee experience management service.

ServiceNow can already sell directly into HR, security, and customer service teams, but greater opportunities beckon

As ServiceNow's initial productization of ESM opportunities took shape half a decade ago, the company would still market and sell to other lines of business "through IT." Now, however, thanks to its experiences with existing customers, talent acquisitions, and more recent "future of work" research, it is better positioned to sell its non-IT solutions directly to the target lines of business. This is also aided by ServiceNow being organized by business units and product lines which helps to keep business operations, product managers, marketing, sales, services, support, and partners closely aligned to the needs of target customers.

Threats

The ServiceNow own-cloud delivery model might be an issue for some customers

While ServiceNow offers a self-hosted option on an exception basis for specific use cases, and Azure is now an alternative for enterprise customers in certain highly regulated industries and government customers, the ServiceNow competitive differentiator of self-hosting customer instances also prevents customer choice. Not only from an on-premises, or hybrid, perspective, but also in terms of customers (not in highly-regulated industries) running applications in corporately preferred cloud environments such as AWS or Azure.

The reliance on ServiceNow's large partner ecosystem might cause customers TCO issues

While ServiceNow has its own services capabilities, most ServiceNow deployments are done by its partners, with the company stating that it has partners in 80+ countries including

- system integrators such as Accenture, Capgemini, Deloitte, IBM, and KPMG
- service providers such as Atos, Cognizant, DXC, HCL, Infosys, Tech Mahindra, and Wipro
- resellers such as Carahsoft Technology Corp, Computer Design and Integration LLC, and SHI International Corp.

This third-party approach to implementation is a well-seasoned and ServiceNow certified capability, and a key contributor to ServiceNow's rapid growth in the last decade. However, it might also add a level of complexity and additional cost that some customers are unwilling to bear.

Data sheet

Table 9: Data sheet: ServiceNow

Product name	ServiceNow	Product classification	ESM / employee support
Version number	New York	Release date	July 2019
Industries covered	Broad range including healthcare, government, financial services, education, and manufacturing	Geographies covered	Americas, EMEA, Asia-Pacific
Relevant company sizes	Large and medium: ca.75% of Fortune 500 use ServiceNow	Licensing options	SaaS subscription
URL	www.servicenow.com	Routes to market	Direct sales and partners
Company headquarters	Santa Clara, California, US	Number of employees	9,382

Source: ServiceNow

SysAid Technologies

SysAid Technologies has provided ITSM solutions as a self-funded private company since 2002. In 2018, it received a \$30m investment from tech growth fund IGP to aid expansion in the ITSM tool market, and to better meet customer demand related to the rapidly expanding ESM space. In terms of core ITSM needs, SysAid offers capabilities that match the requirements of most SMBs and

midmarket organizations – with this supplemented by additional IT management capabilities such as integrated ITAM (including asset discovery). Although customers have used SysAid as a service and support solution outside of IT for a decade, its strategic focus on ESM – for both current and future customers – started in 2018, when non-IT use cases were organically exceeding 5% of company revenue. SysAid states that it currently sees the greatest ESM traction in HR, finance, facilities, and procurement. The company is currently focused on IT automation and AI as a mechanism for relieving the pressure on IT service desks, speeding up the MTTR, reducing service and support costs, and delivering a better employee experience. This is a mix of product-native capabilities, SysAid capabilities built on third-party offerings (for instance, SysAid's chatbot is built on Google's bot technology), and the OEMing of third-party solutions such as CA Automate for service orchestration.

Company and solution analysis

Strengths

The recent funding provides SysAid with the resources to focus on the new capabilities that its customers want and expect

The \$30m of funding from IGP provides SysAid with the ability to invest in both its solution and the organizational structure that creates, markets, sells, and supports it. This is already evidenced in its 2019 product roadmap plans and execution, plus the level of new hires focused on growing the company and the level of customer success.

SysAid is focused on three key elements required for their customers' service and support success

SysAid's strategic intent is focused on three key things: the transformation of service and support staff productivity, enhancing the end-user experience for employees, and helping service and support organizations to drive value across their businesses. This applies to both ITSM and ESM. In 2019, this started with a refreshed UI and the introduction of a new service orchestration capability. This will continue with the delivery of additional automation and AI-based capabilities for both IT and non-IT use.

SysAid has long focused on the provision of superior reporting and analytics capabilities

SysAid has invested, and continues to invest, in its reporting and analytics capabilities – appreciating that reporting per se is commonly highlighted as a customer issue with ITSM tools in industry surveys. It also provides business intelligence (BI) capabilities via its partnership with Qlik. This is available for non-IT, as well as IT, analytics. There is also an anonymized benchmarking capability for IT which allows customers to compare their performance against that of other similar companies. SysAid plans to extend this to also support ESM scenarios. SysAid's short-term product roadmap also includes what it calls "Advanced Analytics 2.0" and "IT Benchmark 2.0."

SysAid prides itself on its speed of implementation

SysAid states that customer implementations are quicker than with most competitors, with small company implementations taking less than a week, medium-sized 3–4 weeks, and the largest around six weeks. As with any customer implementation, these timeframes are dependent on the level of complexity, in breadth of adoption terms, and the ability of the customer to match the required pace of

change. To help with customer implementation and success, professional service hours are included with the SysAid license purchase/subscription.

Areas of further focus

SysAid currently markets and sells its ESM capabilities to other lines of business "through IT"

There are, however, plans to explicitly target key non-IT use cases, with the ability to market and sell directly into HR, facilities, and procurement functions in particular. SysAid states that it already has line-of-business specialists available to help customers, plus an ESM account management team. The SysAid marketing team is also being expanded to meet the growing ESM needs.

SysAid has a growing partner ecosystem but more is still needed internationally

SysAid markets and sells its solutions globally, stating that it has over 10,000 customers worldwide. However, while SysAid is equipped to provide global sales, support, and professional service capabilities from its headquarters, along with a number of regional offices, its current partner ecosystem still needs to expand to offer better global coverage.

Opportunities

SysAid is focused on what's currently important to customers, positioning it favorably for growth

SysAid's key investment areas are: expanding its ESM go-to-market capabilities; core product development, with an emphasis on automation and AI; and improving customer experience and support. The continued push across these three areas will position it well against its immediate competition as well as allowing it to sell into larger customer organizations. Importantly, and especially in the context of this report, SysAid needs to go beyond ESM – the use of ITSM capabilities by other lines of business – to fully demonstrate its commitment to employee enablement, and better employee experiences, in the sales and marketing of its solutions.

SysAid is investing heavily in ITSM automation and AI that will also help other lines of business

SysAid is currently in the process of differentiating itself in the ITSM tool marketplace based on its continued investment in automation and AI-enabled capabilities – believing that "everything can be automated on the IT service desk." This focus on automation and AI is currently a "work in progress," with many of the AI capabilities in particular product roadmap items for near-term delivery. For instance, SysAid's AIOps strategy is to start execution in 4Q19 in conjunction with Loom Systems, and a virtual agent for IT service desk analysts is also part of this second phase of SysAid's AI product investment. The ability to also leverage these new automation and AI capabilities for ESM scenarios is an opportunity that shouldn't be overlooked by SysAid, with a quick move in this area competitively advantageous.

Threats

SysAid has still to productize specific line-of-business solutions

SysAid states that the creation of productized solutions for its key non-IT use-case scenarios is in its product roadmap. While SysAid states that the implementation of its solution is relatively quick and easy versus other ITSM tools, the availability of business-function-specific solutions will not only

speed up implementation but also make it easier for potential customers to appreciate the available capabilities. The failure to do this swiftly will leave SysAid at a disadvantage in the ESM space.

In addition to increased market sector competition, SysAid's ITSM industry profile had dipped in recent years

Half a decade ago, SysAid had an ITSM industry "presence" that far exceeded that of its closest competitors – including strong participation at international industry events, a productive content marketing pipeline, and a successful and interactive social capability that outstripped even some of the largest ITSM tool vendors. This then dipped. Thankfully though, in 2019 SysAid has been quickly ramping up its marketing capabilities – aided by the IGP investment – with this likely to better position it (both the brand and the tool) in what is now an even more overcrowded midmarket ITSM tool marketplace.

Data sheet

Table 10: Data sheet: SysAid

Product name	SysAid	Product classification	ESM / employee support
Version number		Release date	
Industries covered	All	Geographies covered	All
Relevant company sizes	All	Licensing options	SaaS, on-premise
URL	https://www.sysaid.com/	Routes to market	Direct

Source: SysAid

TOPdesk

TOPdesk was founded in 1993 with its first product release in 1994. Its ITSM and shared-service management solution is also called TOPdesk, with this available to organizations of all sizes and in all verticals. While TOPdesk states that its solution is suitable for 95% of companies globally, it finds the midmarket, and companies with low-to-medium maturity, to be its sweet spot. It is also seeing greatest traction in the public sector, IT and comms, and the industrial and manufacturing verticals. The TOPdesk solution offers all of the core ITSM capabilities that midmarket customers expect, plus ITAM. From an ESM perspective, TOPdesk has been focused on what it calls shared service management for over a decade: from ITSM to enabling facilities management, HR operations, customer service operations, and supporting other lines of business and vertical-specific needs. It estimates that 60% of its circa 5,000-company customer base use its ITSM tool to support non-IT use cases. In terms of delivering against the modern needs for employee enablement and employee experience, TOPdesk has this covered through its focus on service excellence – which it says runs through everything it does.

Company and solution analysis

Strengths

TOPdesk has a good and growing global presence

TOPdesk has circa 5,000 customers worldwide, with a growing base of managed service provider (MSPs) customers. The company has a mature presence with 14 branches worldwide across North America, EMEA, and LATAM, with APAC now covered via a partner in Singapore and a new TOPdesk office in Australia. There are also 40 solution partners and eight sales partners that have been brought onboard to cover the geographies that TOPdesk currently doesn't. TOPdesk has circa 200 consultants available globally, with these the first option for professional services in the established TOPdesk regions.

TOPdesk has a strong track record of ESM success

TOPdesk has been focused on ESM for over a decade and understands the global market, and its regional differences, extremely well. Its shared service management approach is reflected in its corporate ambition statement, which talks to service management not ITSM, reflecting that TOPdesk is now delivering non-IT line-of-business solutions to circa 60% of its customers: "We want to be the most relevant (intelligent) service management platform for low-to-medium mature organizations worldwide, their managed service providers, and suppliers."

TOPdesk is focused on employee enablement

TOPdesk is laser-focused on improving the service experience – from its product vision through to the TOPdesk Service Excellence Maturity Model it employs to help drive customer improvement – where the higher the customer gets in the model, the greater the business focus and the value created, and consequently the better the employee experience is.

TOPdesk offers a potentially unique pricing model option (in mainstream ITSM solutions) that offers a lower TCO to customers

Unlike its mainstream ITSM tool competitors, TOPdesk's main licensing and pricing model is based on the number of end users (i.e., the volume of people supported and served). It states that this usually offers the lowest TCO for customers. However, there are occasions when pricing by operator is cheaper. If so, then customers can choose this licensing model instead. TOPdesk states that the beauty of pricing by end user is that it encourages greater tool adoption and use, versus needing financially based decisions when additional operator licenses are required to use the tool for new things. A customer simply chooses which product they need (between lite, professional, and enterprise TOPdesk products), which modules/features, the number of end users (or operators), and between SaaS or on-premises as the delivery model.

Areas of further focus

TOPdesk has no native or OEM-ed AI capabilities

Developing a native chatbot/virtual agent is not currently on the TOPdesk roadmap. Instead, TOPdesk has chosen to facilitate integrations with the chatbot/virtual agent technologies that are able to communicate via its API. This is currently IPsoft's Amelia and OBI4wan's solutions. In terms of the other AI-enabled service and support capabilities included in this report's Capability Matrix criteria, there are no predictive modeling and decision-making capabilities such as automatically classifying, prioritizing, and routing service requests and incidents based on learning from past ticket-handling

activity (for either IT or other lines of business). Nor are there automated intelligent escalation capabilities; however, TOPdesk does have a long-term roadmap for the addition of AI-enabled capabilities across a variety of service management opportunities.

TOPdesk doesn't currently offer peer-benchmarking capabilities to customers

The ability for an IT department to compare its performance to anonymized averages for other similar companies – based on size, vertical, and geography – is increasingly becoming a sought after, and provided, ITSM tool capability for SaaS/cloud-delivered solutions. While TOPdesk has the data available in its SaaS solution, it states that it doesn't provide such a capability as yet due to GDPR restrictions. However, TOPdesk hopes to deliver the capability in the near future, with it high on its product roadmap to better serve customer needs and to get the most out of its SaaS platform.

Opportunities

TOPdesk's ESM story needs to reach a bigger audience

TOPdesk has a great story to tell, starting with its long history of shared service enablement, then 5,000 customers worldwide (of which 60% are doing some form of ESM), and then key customer statistics such as a 98% customer retention rate, a Net Promoter Score (NPS) of 69, and a 97% customer recommendation score. However, in Ovum's opinion, potential customers outside of TOPdesk's most successful regions should have a far greater awareness of the company and its ESM capabilities than they currently do, in particular through the wider availability of TOPdesk's customer success stories and its experience/thought leadership communicated through greater volumes of formal marketing collateral and its distribution.

The TOPdesk Service Excellence Maturity Model offers a great on-ramp to new customer conversations and deals

The TOPdesk Service Excellence Maturity Model – in which five steps of organizational and service management maturity are defined around the five axes of processes, people and culture, suppliers, integration and automation, and customers – is a piece of TOPdesk intellectual property that could be exploited further. The packaging of the model along with free high-level guidance and advisory, plus the more effective promotion of it beyond its current webpage, would offer an additional low-cost mechanism for lead generation and initial customer discussions about their ITSM and ESM issues and improvement opportunities (and ultimately about how TOPdesk can help).

Threats

TOPdesk offers business modules rather than productized line-of-business solutions – this might hurt it as the ESM market matures

TOPdesk's approach to extending traditional ITSM capabilities to other lines of business is through the addition of business modules. These modules are process-based, and sometimes multipurpose (in ESM terms), rather than line-of-business based, so, there isn't a productized HR package, for instance (although "TOPdesk for Facilities" is separately marketed on the TOPdesk website). Example modules include Contract, Order/Webshop, Operations, Property, Reservations, Survey, Visitors Management, and Long-Term Maintenance Planning. TOPdesk states that all modules (including traditional ITSM modules (e.g., Call, Asset, Change Management)) can be implemented and tailored for different departments and their needs. However, this approach differs from the industry norm of productizing solutions as ESM revenue and opportunities grow. Given that the ESM market is still evolving, it is difficult to predict whether the more popular line-of-business productization

approach or TOPdesk's use of process-based modules will win out, with the success of the former hurting TOPdesk's solution.

TOPdesk's lack of low-/no-code capability for its platform might hurt it as the ESM market matures

Currently, the TOPdesk marketplace only includes additional capabilities created by its partners and itself, with many of these partner add-ons or integrations to partner solutions. There are currently no customer-created entries being shared for other customers to use, collaborate on, and reimagine. As more competitors promote their platform-based capabilities and low-code/no-code opportunities for bespoke line-of-business app creation by non-coders, it only highlights TOPdesk's not having an equivalent "citizen developer" offering in ESM tenders and the associated selection activities.

Data sheet

Table 11: Data sheet: TOPdesk

Product name	TOPdesk	Product classification	ESM / employee support
Version number		Release date	July, 2019
Industries covered	All	Geographies covered	North America, EMEA, LATAM
Relevant company sizes	All – focus on midmarket	Licensing options	Subscription (both SaaS and OP)
URL	www.topdesk.com	Routes to market	Combination of channels
Company headquarters	Delft, the Netherlands	Number of employees	700

Source: TOPdesk

Appendix

On the Radar

On the Radar is a series of research notes about vendors bringing innovative ideas, products, or business models to their markets. Although On the Radar vendors may not be ready for prime time, they bear watching for their potential impact on markets and could be suitable for certain enterprise and public sector IT organizations.

Further reading

Market Landscape: Digital workspace, ENS001-000059 (June 2019)

2019 Trends to Watch: IT Service Management, INT003-000302 (January 2019)

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