



IT Operations Automation – Market Update and PEAK Matrix™ Assessment for Products (Focus on ISVs)

Cloud & Infrastructure Services (CIS)

Market Report – May 2017 – Preview Deck

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* Banking, financial services, and insurance

Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment



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Background of the research

Background of the research

- In today's digital age where “applications are the business,” establishing agile, resilient, and cost-effective IT operations has become critical for enterprises, as they look to build and push new products to the market faster than competition. The need for “business-aligned” IT operations has translated into mainstream adoption of next-generation IT infrastructure concepts such as cloud, converged infrastructure, and operational analytics
- However, most enterprises continue to struggle to reap benefits that are commensurate with the extent of their investments. One of the key reasons that enterprises fail to realize the desired benefits is the lack of a “coherent and business context-centered” IT operations automation (ITOA) strategy. In order to obtain “true business benefits”, enterprises need to adopt an automation strategy that:
 - Offers high agility and resilience to support dynamic business requirements (i.e., self-learning / conscious IT infrastructure)
 - Takes a pragmatic adoption approach, supported by a clear decision framework (where to and where not to adopt)
 - Gives due consideration to existing process maturity levels, rather than driving a “big-T” transformation without proper evaluation of the criticality of underlying applications/businesses
 - Has a robust product strategy at its heart – a technology-agnostic platform that alleviates vendor lock-in concerns
- In this research, we present the assessment and detailed profiles of eight Independent Software Vendors (ISVs) featured on the PEAK Matrix for products: IT operations automation software. Each ISV profile gives a comprehensive picture of their IT operations automation products' vision, company performance & nature of operations, and product functionality
- The assessment is based on Everest Group's annual Request for Information (RFI) process conducted in Q4 2016 and Q1 2017, interactions with leading IT operations automation software vendors, and an analysis of the broader IT operations automation market

Scope of this report

- **Product:** IT operations automation software
- **Geography:** Global
- **Product vendors:** Eight leading IT operations automation ISVs

This report includes the profiles of the following eight ISVs on the PEAK Matrix for IT operations automation software:

- **Leaders:** Arago, IPsoft
- **Major Contenders:** Automic, Ayehu, Cortex, HPE, and Thoughtonomy
- **Aspirants:** Softomotive

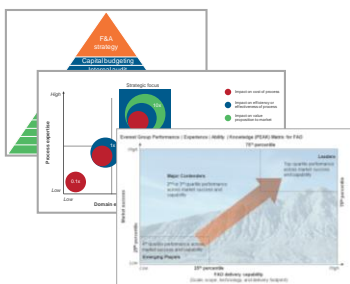
Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

- Market thought leadership
- Actionable and insightful research
- Syndicated and custom research deliverables

1

Robust definitions and framework

(PEAK Matrix, market maturity, and technology adoption/investment)



2

Primary sources of information

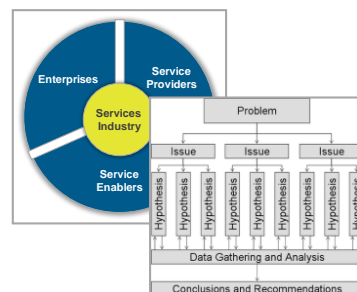
(Annual contractual and operational RFIs, service provider briefings, and market feedback)



3

Diverse set of market touchpoints

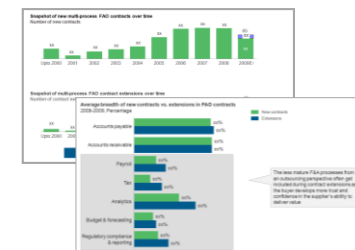
(Ongoing interactions with key stakeholders, input from a mix of perspectives and interests, as well as support data analysis and thought leadership)



4

Fact-based research

(Data-driven analysis with expert perspectives, trend-analysis across market adoption, contracting, and service providers)



- Annual RFI process and interaction with leading IT infrastructure/cloud service providers
- Dedicated team for IT infrastructure/cloud services adoption trends
- Over 25 years of experience in advising clients on global services decisions
- Executive-level relationships with buyers, service providers, technology providers, and industry associations

Everest Group's IT operations automation research is based on three key sources of proprietary information

1

• Demonstrations and interactions with technology vendors

- Vision and strategy for IT operations automation
- Annual performance and future outlook
- Key strengths and improvement areas
- Emerging areas of investment (e.g., focus on artificial intelligence (AI) and cognitive solutions)
- Detailed demos and interviews with ITOA technology vendors for a comprehensive view of solutions
- Executive-level discussions with technology vendors that cover the current state of market, opportunities and challenges, and key trends

2

• Ongoing buyer surveys and interactions

- Drivers and challenges for adopting IT operations automation
- Assessment of ISV performance
- Emerging priorities
- Lessons learnt and best practices
- Executive-level discussions with industry enablers / specialist technology integrators / IT service providers to get the buyer perspective and also reaffirm the findings from other sources

3

• Proprietary database of ITOA technology vendors

- Company performance
- Key features/capabilities of the automation software
- Value delivered
- Portfolio mix
- Commercials
- Implementation & support
- Automation creation and management features
- Buyer coverage in terms of industry, geography, and buyer size

ISVs assessed



Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any information that is contract-specific will be presented back to the industry only in an aggregated fashion

This report focuses on IT operations automation products and offers insights into prominent ISVs operating in this space

NOT EXHAUSTIVE

Automation within IT operations management

- Automation within IT operations management (e.g., servers, storage, network, OS/virtualization, database, and middleware)
- Examples of tasks automated: Hardware or service provisioning, capacity management, performance monitoring, incident management, change management, scheduling self-healing, maintenance, compliance, and prevention
- Transformation and modernization – using performance data to identify areas for improvement and modernization of IT operations

Third party automation / analytics product providers (illustrative examples)



Automic
Let's Automate Business.

 **ayehu**



- Offer IT infrastructure services automation products
 - Sold either directly to clients or through channel partners (e.g. IT service providers)
 - Can also offer managed services in addition to products (e.g. IPSoft)

Service providers (illustrative examples)

CGI

HCL

IBM

Infosys

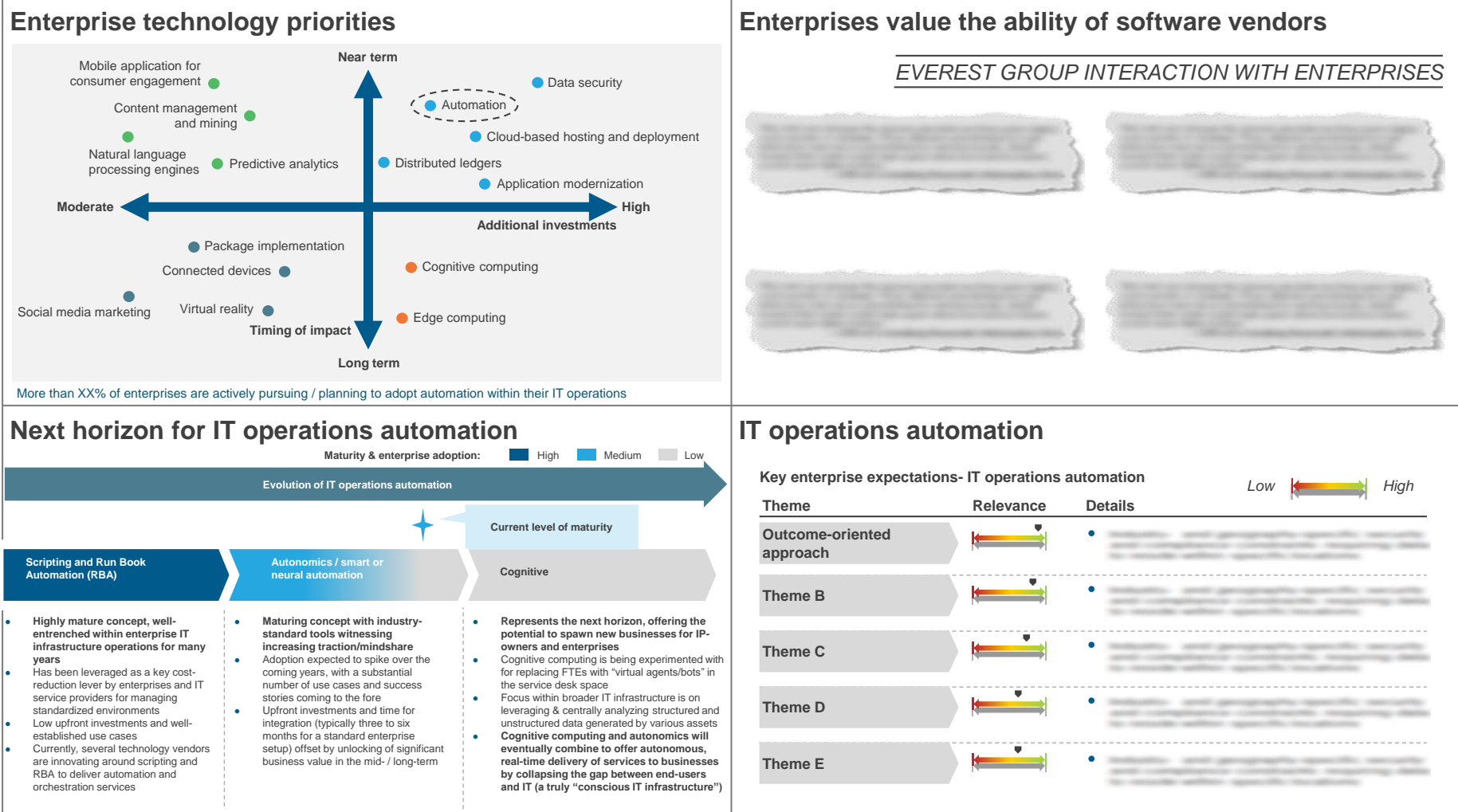
TATA CONSULTANCY SERVICES



- Design, implementation, and management services for IT infrastructure services automation
 - Offered within managed services or as a stand-alone “automation as a service”
 - Cover third-party products and / or in-house IP

Focus of this report (Assessment of ISVs for IT operations automation focused on the product capabilities)

Automation is amongst the top priorities for enterprises as they...



Source: Everest Group (2017)

This IT operations automation compendium report has 8 IT software vendor profiles, focusing on their IT operations automation products, capabilities and features

Company vision & strategy

XYZ positions itself as” company enabling enterprises’ automation strategy. Automation is a key use case for its AI solution, and is leveraged as the initial step to roll out AI to other spaces. XYZ aims to differentiate itself by delivering high levels of autonomy across all business layers through individual, dynamic, and intelligent processes for delivering IT operations and business process automation. XYZ focuses on providing AI-enabled automation to deliver high automation rates, and speed of execution, through knowledge retention and reuse

Strengths

- Strong automation capabilities across the L2 and L3 layer in areas such as capacity management and problem management
- Flexible commercial models aligned to enterprise requirements
- Minimal manual intervention required to build workflows as the solution does it autonomously based on the knowledge items created by humans
- Ability to modify resolution based on system changes

Areas of improvement

- Needs to further shift from an engineering-driven mindset to a business-driven automation approach (articulate value proportion aligned to “business needs”)
- Needs to focus on improving its marketing capabilities, which has been a key deterrent for enterprise adoption of its AI solution
- Needs to address client apprehensions in certain cases around autonomous resolution leading to lack of accountability within the automation process

Process coverage (mix of use cases deployed)

■ High (>30%) ■ Medium (15-30%) ■ Low (<15%)

Incident management ■ Request fulfillment ■
Change management ■ Others ■

Automation type (mix of use cases deployed)

■ High (>50%) ■ Medium (15-50%) ■ Low (<15%)

Human in the loop ■ End-to-end functional automation ■
Others (e.g. escalation automation) ■

Overview of capabilities and features – XYZ

Capability/features	Details
Feature set	XYZ’s AI solution optimizes the resolution path and incorporates a range of features such as proactive recommendations, audit, risk mitigation, and management features, ontology-based machine reasoning, knowledge graph traversal, and knowledge aggregation, curation, and representation
Deployment options	Can be deployed in relevant formats – client-hosted, hosting by XYZ, and hosting by third parties
Creation and modification	Provides option of automation creation through coding of knowledge items and allows the clients’ internal teams to manage and create fresh automation cases independently; modifies the resolution path accordingly based on changes
Support	Provides consulting and training services through its internal staff as well as through partners/resellers
Commercials	Offers flexible commercial models based on client requirements, primarily leveraging “as-a-service” constructs

Source: Everest Group (2017)

Cloud and Infrastructure Services research calendar

Topic	Release date
Infrastructure Services – Annual Report 2016	July 2016
Private Cloud Enablement Services – PEAK Matrix™ Assessment and Profiles Compendium	September 2016
Hosted Private Cloud Services – PEAK Matrix™ Assessment and Profiles Compendium	December 2016
Upcoming Contract Renewals – Infrastructure Services: “Over 40% Incumbents Replaced Annually; Providers Beware!”	February 2017
IT Infrastructure Automation – Market Update and PEAK Matrix Assessment for Solutions (Focus on IT service providers)	April 2017
IT Operations Automation – Market Update and PEAK Matrix Assessment for Products (Focus on ISVs)	May 2017
Workplace Services – Market Trends, PEAK Matrix™ Assessment & Profiles Compendium	Q3 2017
Enterprise Cloud Services – Annual Report 2017	Q3 2017
Infrastructure Services – Annual Report 2017	Q3 2017
IT Security Services – Market Trends, PEAK Matrix™ Assessment & Profiles Compendium	Q3 2017
IoT Services – PEAK Matrix™ Assessment & Profiles Compendium	Q3 2017
Hybrid Cloud Enablement Services – Market Trends and PEAK Matrix™ Assessment & Profiles Compendium	Q4 2017

Additional research recommendations

The following documents are recommended for additional insight into the topic covered in this research. These documents either provide additional details on the topic, or complementary content that may be of interest

1. **Enterprise Pulse Study 2016 – “Customer (Dis)Satisfaction: Why Are Enterprises Unhappy With Their Service Providers”** ([EGR-2017-4-R-2077](#)); 2017. Despite large scale investments by service providers, customers are largely dissatisfied. This report presents insights into the unstated expectations in an engagement and reviews the enterprises’ current satisfaction level with their service providers. The report also details the technology investment priorities of enterprises and opportunity areas for service providers. The objective of the report is to aid service providers strategize their engagement approach and prioritize investments to meet mounting customer expectations
2. **IT Infrastructure Services Automation - Codified Consciousness is the Future** ([EGR-2016-4-R-1885](#)); 2016. The lack of a “coherent and business context-centered” IT infrastructure service automation strategy is one of the key reasons that enterprises fail to realize desired benefits from IT infrastructure investments. This market report investigates this trend and provides an in-depth analysis of the IT infrastructure services automation market. The research covers the current state of the market, enterprise adoption drivers, challenges, best practices, imperatives for IT service providers, technology provider landscape, and outlook for 2016-2017

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From **insight** to **action**.



About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empowers clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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