



Customer (Dis)Satisfaction: Why Are Enterprises Unhappy With Their Service Providers?

An Enterprise Pulse Study on Digital and IT Services
Market Report – January 2017 – Preview Deck

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- 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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* Banking, financial services, and insurance

Background of the research

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- Technology is taking over all businesses and is becoming the fulcrum for enterprises. IT Applications, digital technologies, and cloud services are driving unimaginable value across different industries
- The fortunes of the global services industry are tightly linked to this technology disruption. Enterprises rely significantly on service providers to assist them in navigating the technology landscape and be a trusted partner
- Everest Group believes that it is imperative to understand the true picture around the enterprises' IT investment priorities and their experience in working with service providers
- In this research we present:
 - A summary of the views of various enterprises regarding the capabilities of services providers they engage across applications, digital, cloud, and infrastructure services
 - Enterprise views around their key investment priorities in technology and IT services for 2017
- The assessment is based on over 130 interviews (not a survey) conducted in 2016 with enterprises across the globe across applications, digital, cloud, and infrastructure services. These enterprises include Everest Group clients as well as companies nominated as reference clients by different service providers across multiple PEAK Matrix™ evaluations of Everest Group

Scope of this report

- **Services:** IT applications, digital, cloud, and infrastructure services
- **Geography:** Global
- **Service providers:** 30 Global service providers
- **Enterprises:** 130+ enterprises

Research methodology | Assessed service providers¹

We conducted interviews with enterprises that were nominated by service providers as a “reference check” for our various PEAK Matrix assessment research projects. Each enterprise was asked multiple questions including their experience of working with the specific service provider and their investment priorities



¹ Please refer to the Appendix for more details around enterprise information for each service provider
Source: Everest Group (2017)

Summary of key messages

Discussion with enterprises on expectations and experience with service providers reveal intriguing trends. While service providers have been making large scale investments to meet client requirements, they lag behind in attaining broader engagement expectations of the customer. The research explores this disconnect through interviews with over 130 enterprises.

The report also provides deep-dive insights into the key investment priorities of enterprises. From next-generation cognitive systems to modernizing legacy environment, the report provides enterprise priorities across all type of investment initiatives. Enterprises will find the research useful to understand the broader IT service market and where service providers are leading/lagging. Service providers will find the research useful to assess the key investment priorities of enterprises and the major reasons for enterprise dissatisfaction.

Major highlights and insights from the report are:

Enterprise experience and satisfaction

- Around half of the enterprises are dissatisfied with their service providers
- There is a significant gap in enterprise expectations and service provider performance on innovation, creative engagement models, and day-to-day project management
- TCS, Cognizant, HCL, Accenture, and L&T Infotech are rated the highest by their nominated enterprises in terms of “overall experience”

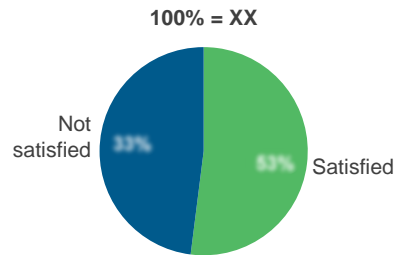
Enterprise investment priorities

- Around two-thirds of the enterprises believe innovation in services and technology to be the key priority for 2017. Rest of the enterprises consider driving operational efficiencies as their primary focus area
- Industries such as BFSI, electronics & hi-tech, and retail are strongly committed to driving innovation whereas others are focusing on operational efficiencies

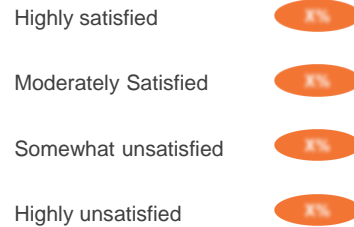
This study analyzes enterprise satisfaction level from service providers and future investment priorities and objectives

Enterprise satisfaction level with service providers

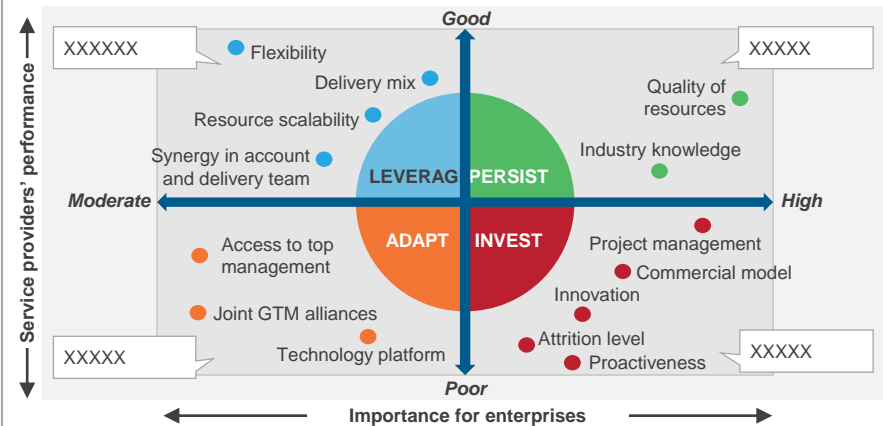
Enterprises' overall satisfaction with service providers¹
2016; Percentage of total discussion



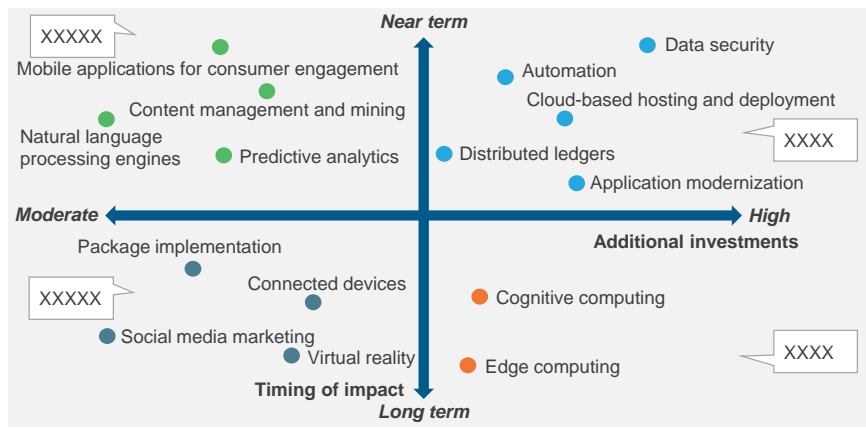
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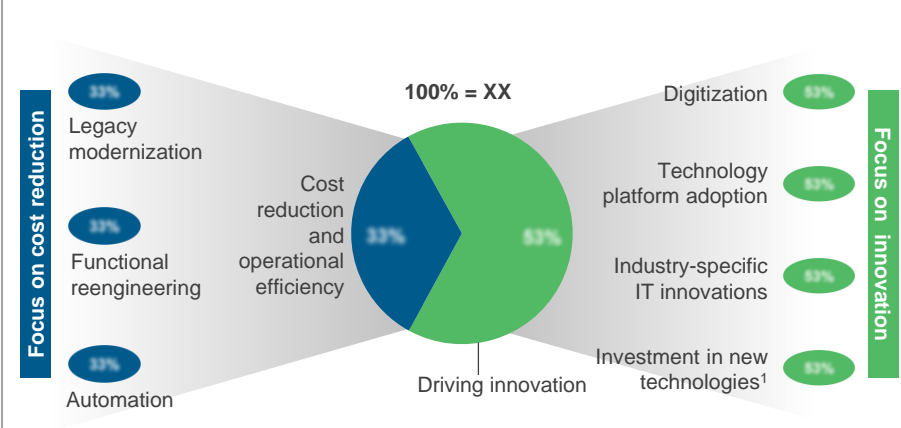
Investment strategies to achieve enterprise expectations



Enterprise technology investments



Drivers for technology investment



Source: Everest Group (2017)

Additional research references

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

1. **Application Services – Annual Report 2016: “No DevOps No Digital”:** ([EGR-2016-4-R-1770](#)); 2016. This annual research delves into the application services landscape to provide data-driven facts and perspectives on the market. It covers AS adoption trends, demand drivers, and enterprise challenges with iterative methodologies such as Agile and DevOps. The research also analyzes market trends across geographies, industries, and buyer sizes, and provides an outlook for 2016-2017
2. **Digital Services – PEAK Matrix™ Assessment and Market Trends: “Is Digital the New Normal?”:** ([EGR-2016-4-R-1932](#)); 2016. Digital transformation is a top priority for enterprises. They are seeking providers’ help in transforming their back- and mid-office portfolio and reimagining customer interactions. Service providers are undertaking a design-led approach to digital transformation in order to contextualize solutions to solve clients’ specific business issues

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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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