Workplace Services – Market Trends and PEAK Matrix™ Assessment: "End Users are no Less than Customers!"

Cloud & Infrastructure Services (CIS)
Market Report – July 2017 – Preview Deck

EGR-2017-4-PD-2263

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- **Market Vista™**
  Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available
- **Application Services**
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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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RESEARCH

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Background of the research

Background of the research

- As focus on user experience within workplace services continues to rise, "digital workplace" is coming into common parlance. However, there exists significant market confusion around what a digital workplace truly stands for and what defines it
- Everest Group's research revealed that the workplace services market needs to eventually move towards the "third generation" of adoption with improving as the core focus, and operational efficiencies being a derivative (rather than the other way round). The workplace design will be characterized by leverage of enterprise data and analytics to offer personalized services, underpinned by end-to-end operations automation, innovative business-aligned metrics, and choice of support channels – which defines a **truly "digital" workplace, where end users are essentially viewed as valued customers by IT**
- In this research, we discuss the latest workplace services market trends and present the assessment and detailed profiles of 23 IT service providers featured on the workplace services PEAK Matrix. Each service provider profile gives a comprehensive picture of their workplace services vision, services suite, scale of operations, and domain investments
- The assessment is based on Everest Group's annual Request For Information (RFI) process conducted in Q1 and Q2 2017, interactions with leading workplace service providers, and analysis of the workplace services marketplace

Scope of this report

- **Services:** Workplace services
- **Geography:** Global
- **Service providers:** 23 leading workplace service providers

This report includes profiles of the following 23 service providers on the workplace services PEAK Matrix:

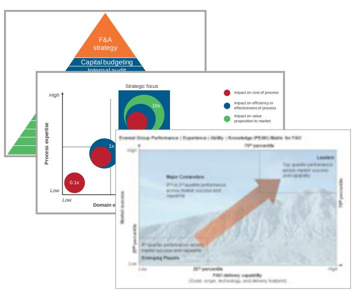
- **Leaders:** Atos, Hewlett Packard Enterprise, IBM, NTT DATA, TCS, and Wipro
- **Major Contenders:** Accenture, CSC, Capgemini, CGI, Cognizant, CompuCom, Fujitsu, Genpact, HCL Technologies, Infosys, Microland, Tech Mahindra, Unisys, and Zensar
- **Aspirants:** Hexaware, Mphasis, and Syntel

Note: HPE Services and CSC have now combined into DXC Technology

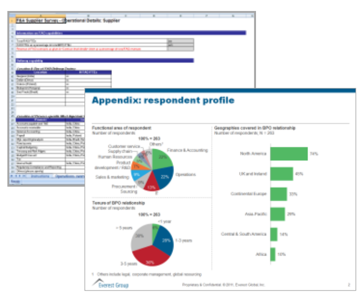
Our methodology is based on four pillars of strength to produce actionable and insightful research for the industry

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

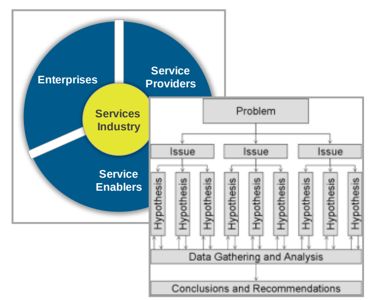
1 **Robust definitions and framework**
(PEAK Matrix, market maturity, and technology adoption/investment)



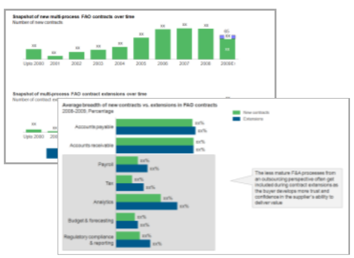
2 **Primary sources of information**
(Annual contractual and operational RFIs, service provider briefings, and market feedback)



3 **Diverse set of market touchpoints**
(Ongoing interactions with key stakeholders, input from a mix of perspectives and interests, as well as support via 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 / workplace service providers
- Dedicated team for IT infrastructure / workplace 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
RESEARCH

Everest Group's workplace services research is based on four key sources of proprietary information

1

- Proprietary database of IT services contracts of major IT service providers with workplace services in scope of work (updated annually)
- The database tracks the following elements of each contract:
  - Buyer details including size and signing region
  - Contract details including service provider, contract type, TCV & ACV, service provider FTEs, start & end dates, duration, and delivery locations
  - Scope details including share of individual buyer locations being served in each contract, Line of Business (LOB) served, and pricing model employed

2

- Proprietary database of IT service providers (updated annually)
- The database tracks the following for each service provider:
  - Revenue and number of FTEs
  - Number of clients
  - FTE split by different lines of business
  - Revenue split by region
  - Location and size of delivery centers
  - Technology solutions developed

3

- **Service provider briefings**
  - Vision and strategy
  - Annual performance and future outlook
  - Key strengths and improvement areas
  - Emerging areas of investment

4

- **Buyer reference interviews, ongoing buyer surveys, and interactions**
  - Drivers and challenges for adopting workplace services
  - Assessment of service provider performance
  - Emerging priorities
  - Lessons learnt and best practices

Service providers assessed

accenture
Atos
Capgemini
CGI
Cognizant
CompuCom
CSC
FUJITSU
GENPACT
HCL
Hewlett Packard Enterprise
Hexaware
IBM
Infosys
MICROLAND
Mphasis
NTT Data
SYNTEL
TATA CONSULTANCY SERVICES
Tech Mahindra
UNISYS
wipro
ZenSar

Note: Assessment for Accenture, Capgemini, CGI, Compucom, Fujitsu, HPE, IBM, Infosys, and Unisys excludes service provider input in this particular study and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, service provider public disclosures, and interaction with buyers. HPE Services and CSC have now combined into DXC Technology

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 workplace services and offers insights into the prominent service providers operating in this space

NOT EXHAUSTIVE

Focus of this research

Workplace services – market definition

Design and implementation services
Design, migration, consolidation, integration, change management, and validation

Management/run services
Ongoing management, monitoring, security management, support, and other operations/services

Consulting/assessment services
Assessment & evaluation, consulting & strategy formulation, and TCO / Return on Investment (ROI) analysis

Service desk
End-to-end incident/request management, resolution support, self-healing / self-help solutions, and VIP support

Desk- / client-site support services
Install, Move, Add, Change (IMAC) services, maintenance, support, and disposal services for end-user devices

Unified communications
Messaging, collaboration, telephony, and enterprise LAN/WAN

Asset management
Procurement, deployment, financial reporting, and management of IT assets (hardware/software)

Infrastructure application
Directory services, file & print services, and remote access management

Desktop management and virtualization
- Assessment, design, and deployment services
- Virtual desktop management including patch & image management, and desktop-as-a-service
- Security management: Profile management for anti-virus, security monitoring, etc.
- Desktop application management including packaging, imaging, distribution, patching, and on-demand provisioning

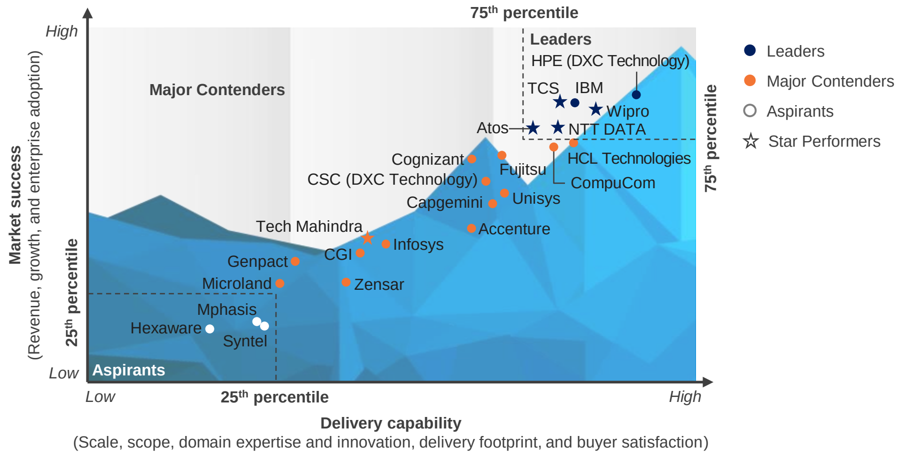
Mobility / Bring Your Own Device (BYOD)
End-to-end services including assessment, strategy formulation, policy and security, platform evaluation, infrastructure implementation, and managed services

Workspace-as-a-Service

This report analyzes leading service providers in the workplace services space and provides insights into their workplace services vision, delivery capabilities, scale of operations, and domain investments.

Enterprises believe that the move towards user experience enrichment must be underpinned by a strong focus around driving leaner and more efficient workplace operations

Everest Group PEAK Matrix™ for workplace services

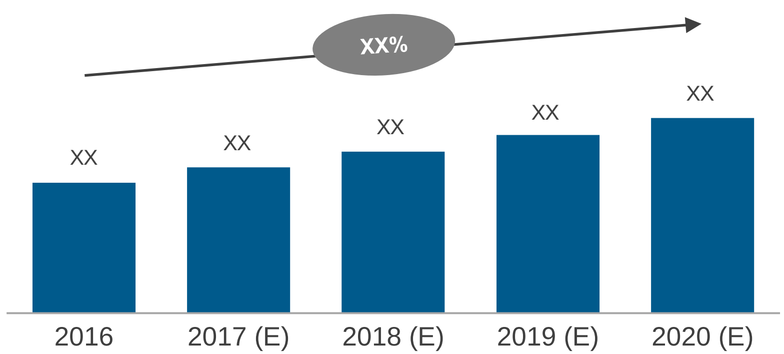


Capability assessment

Measure of capability: Best-in-class, Very high, High, Medium high, Medium, Medium low, Low, Not mature

Service provider	Delivery capability: Scale	Scope	Domain expertise and innovation	Delivery footprint	Buyer satisfaction	Overall	Market success
Service provider 1	Medium high	Medium high	Medium	High	Medium high	Medium high	Medium
Service provider 2	High	Medium	Medium high	High	High	Medium high	Medium high
Service provider 3	Medium high	High	Medium high	High	Medium high	Medium high	Medium high
Service provider 4	Medium low	Medium	Medium high	Medium low	Medium high	Medium	Medium
Service provider 5	Medium	Medium	Medium high	Medium	Best-in-class	Medium high	High
Service provider 6	Medium high	High	High	Medium high	Best-in-class	High	High
Service provider 7	High	Very high	Medium	High	Medium high	Medium high	High
Service provider 8	Medium	Low	Medium low	Low	High	Medium low	Medium

Global workplace services market size – by geography
2016; Percentage



User experience is taking center stage

Workplace for the enterprise (Second-generation)

- Minimize unit cost
- Designed for the enterprise
- Resolve faster
- Improve IT metrics
- Reactive
- Ticket-driven
- Subjective; observational
- High-touch; impersonal

User experience is taking center stage

Workplace for the user (Third-generation)

- Maximize employee experience
- Designed for the individual
- Zero resolution
- Improve business metrics
- Proactive
- Individual context-driven
- Objective; data-driven
- High touch; personalized

This workplace services compendium report has 23 IT service provider profiles, focusing on their workplace services solutions, partnerships, and recent investments

XYZ | Workplace services profile (page 1 of 2)

Workplace services overview

Strengths
- Making significant investments in-house and through partnerships in building modular service offerings that fit along various phases of an enterprise's journey towards a digital workplace
- Clients have reported high satisfaction levels for execution, cost effectiveness, commercial modeling and relationship management

Areas of improvement
- Needs to build onsite talent presence and technical subject matter expertise to drive conversations around transformation and scope expansion within accounts
- Attrition within account management layer is cited as a concern area by clients
- Investments in tools/frameworks are limited to delivering productivity improvements rather than future-proofing client environments

Workplace services revenue

<US$200 million	US$200-US$500 million	US$500 million-US$1 billion	>US$1 billion

Scope of coverage
XYZ has ~2,800 FTEs dedicated to workplace services. XYZ currently serves ~333,000 users through service desk support and ~161,000 users through desk-side support. The company manages ~1.5 million end-user devices, including ~756,000 desktops/laptops.

Adoption by service segments High (>20%) Medium (10-20%) Low (<10%)

Service desk	Unified communications
Desk-side support	Infrastructure application
Mobility / BYOD solutions	Asset management
Desktop management and virtualization	

Adoption by industry High (>20%) Medium (10-20%) Low (<10%)

BFSI	Energy and utilities
Technology	Healthcare and life sciences
Manufacturing	Retail, distribution, and CPG
Public	Telecom, media, and entertainment

Adoption by geography High (>25%) Moderate (10-25%) Lo

Adoption by buyer groups High (>20%) Medium (10-20%) Low (<10%)
- Small (annual revenue < US$1 billion)
- Medium (annual revenue = US$1-5 billion)
- Large (annual revenue > US$5 billion)

Source: Everest Group (2017)

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XYZ | Workplace services profile (page 2 of 2)

Workplace services offerings

NOT EXHAUSTIVE

XYZ's vision is to enable transformation of traditional end-user environment to a digital workplace environment by building, delivering, and managing services and solutions that provide true mobility such as anytime, anywhere, and any device secured access to enterprise applications and data. XYZ aims to empower users with next-generation collaborative tools and applications that improve their productivity and experience.

Proprietary solutions (representative list)

Solution	Details
XXXXXXXXXX	Set of tools and processes that help to provision and manage the end-user workplace environment and provide secure access in a location-, device-, and time-agnostic manner and provide real time performance monitoring of workplace environment.
XXXXXXXXXX	A SaaS-based service automation and ITSM platform that helps deliver end-to-end IT service management at scale.
XXXXXXXXXX	Provides real time VDI service health, user experience, scalability, utilization, and compliance monitoring.
XXXXXXXXXX	Enables customer to reduce service tickets and increases user experience.
XXXXXXXXXX	Solution to manage the 1 TB per user storage space provided by Microsoft for each O365 license as an enterprise backup.

Workplace services partnerships (representative list)

Partner name	Type of partnership	Details
XXXXXXXXXX	Technology partnership	Gold certified partner on productivity solution and silver certified on mobility. Practice development unit (PDU) partner on EMS. Works closely with Microsoft Global Delivery Group and Microsoft Consultancy Services.
XXXXXXXXXX	Technology partnership	Desktop virtualization, mobility, IaaS, and cloud integration and automation.
XXXXXXXXXX	Technology partnership	End point analytics, performance monitoring.
XYZ also has partnerships with Nanoheal, BitTitan, Parablue among others to deliver workplace services.		

Recent activities (representative list)

Development	Details
End Point Analytics and Performance Management / Chabot Solution / Mobility / Unified Communication & Collaboration Solution / Self Service & Self Heal Solution	Over 2016-17, XYZ has invested in building new solutions and capabilities designed for digital workplace environment that results in improved user experience and higher operational efficiency.

Source: Everest Group (2017)

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Cloud and infrastructure services research calendar

Published | Planned | Current release

Flagship CIS reports	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 2017
IT Infrastructure Automation – Market Update and PEAK Matrix™ Assessment for Solutions (Focus on IT service providers)	April 2017
IT Operations Automation – Market Trends, PEAK Matrix™ Assessment for Products & Profiles Compendium	May 2017
Workplace Services – Market Trends and PEAK Matrix™ Assessment: "End Users are no Less than Customers!"	July 2017
IT Security Services – Market Trends, PEAK Matrix™ Assessment & Profiles Compendium	Q3 2017
Infrastructure Services – Annual Report 2017	Q3 2017
Hybrid Cloud Enablement Services – Market Trends and PEAK Matrix™ Assessment & Profiles Compendium	Q4 2017
IoT Services – PEAK Matrix™ Assessment & Profiles Compendium	Q4 2017

Thematic CIS reports	Release date
Customer (Dis)Satisfaction: Why Are Enterprises Unhappy with Their Service Providers?	January 2017
Contract Renewals – Infrastructure Services: "Over 40% Incumbents Replaced Annually; Providers Beware!"	February 2017
Enterprise Cloud Services – Annual Report 2017	Q3 2017

Note: For a list of all cloud and infrastructure services reports published by us, please refer to http://www2.everestgrp.com/reports?SearchTerms=#cat0=822

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); 2016. 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 – Market update and PEAK Matrix assessment for solutions** (EGR-2017-4-R-2135); 2017. In today's digital age where "applications are the business," establishing an agile, resilient, and cost-effective IT infrastructure has become critical for enterprises, as they look to build and push new products to the market faster than competition. The need for a "business-aligned" IT infrastructure has translated into mainstream adoption of next-generation IT infrastructure concepts such as cloud, converged infrastructure, and operational analytics

For more information on this and other research published by Everest Group, please contact us:

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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 empower 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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