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Salesforce Services – Solving for the Missing Link

Enterprise Platform Services (EPS)
State of the Market Report – June 2020: Complimentary Abstract / Table of Contents

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  Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available
- Application Services
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In addition to a suite of published research, a membership may include

- Accelerators™
- Analyst access
- Data cuts
- Pinnacle Model® reports
- PriceBook
- Virtual Roundtables
- Workshops

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

Membership information

- This report is included in the following research program(s)
  – Enterprise Platform Services (EPS)
- If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com

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Background and methodology

- The Salesforce services market is one of the largest and fastest growing markets in the broader enterprise platform services market. Enterprise expectation from Salesforce adoption now goes beyond the CRM function and aims to create a 360-degree customer view by building a unified data fabric and leveraging advanced analytics to better engage and offer personalized experience to customers and other stakeholders
- With these changing enterprise expectations and evolving Salesforce tech landscape, service providers are investing in building strong industry-specific solutions to expedite time-to-market for clients. They are taking a strong inorganic approach with tuck-in acquisitions to fill gaps across their Salesforce services portfolio and further enhance their geographic footprint
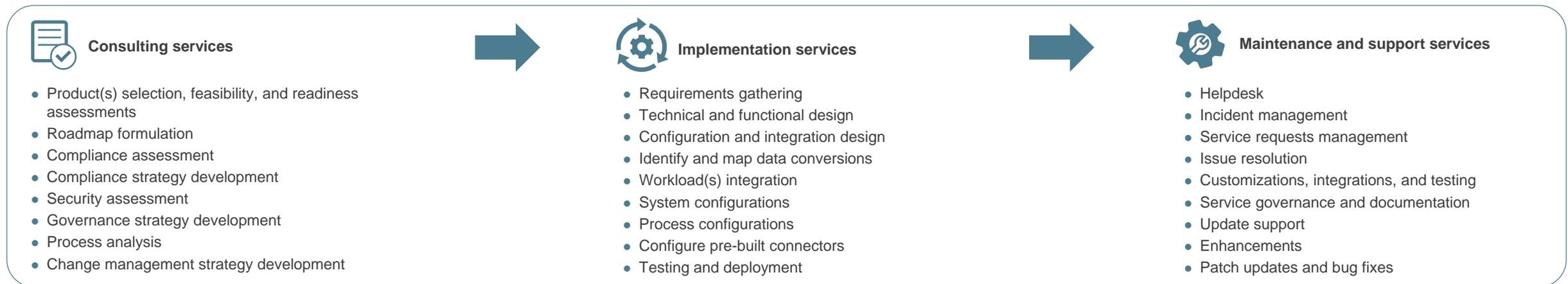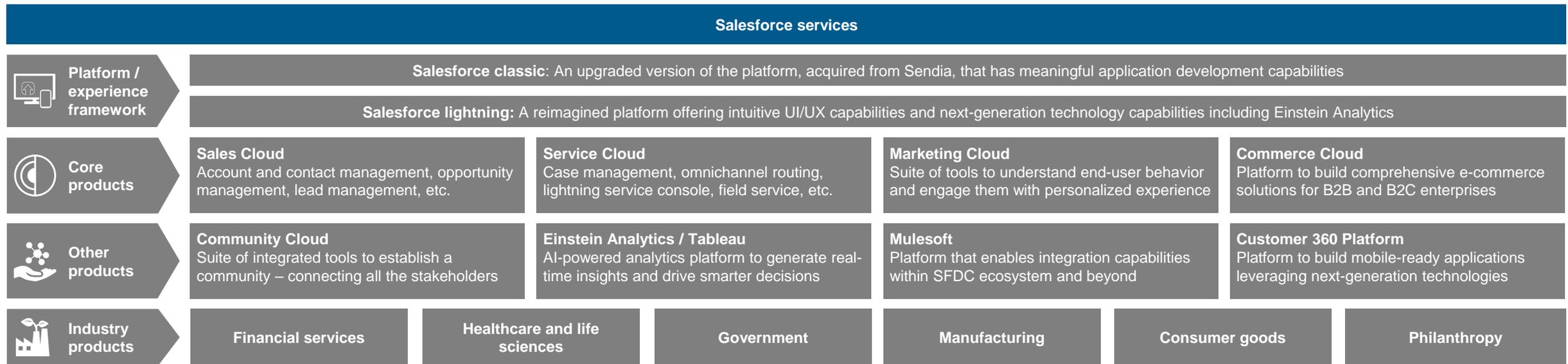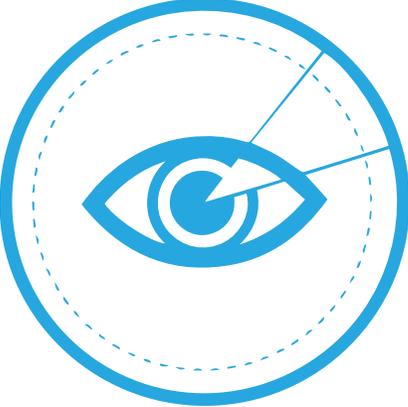
The report talks about:

- Key enterprise themes that dominated the Salesforce services market in 2019
- The current and projected market for Salesforce services
- Key buyer adoption trends

Everest Group's definition of scope of Salesforce services

Salesforce services

Platform / experience framework	**Salesforce classic**: An upgraded version of the platform, acquired from Sendia, that has meaningful application development capabilities
	Salesforce lightning: A reimagined platform offering intuitive UI/UX capabilities and next-generation technology capabilities including Einstein Analytics

Core products

Sales Cloud Account and contact management, opportunity management, lead management, etc.	**Service Cloud** Case management, omnichannel routing, lightning service console, field service, etc.	**Marketing Cloud** Suite of tools to understand end-user behavior and engage them with personalized experience	**Commerce Cloud** Platform to build comprehensive e-commerce solutions for B2B and B2C enterprises

Other products

Community Cloud Suite of integrated tools to establish a community – connecting all the stakeholders	**Einstein Analytics / Tableau** AI-powered analytics platform to generate real-time insights and drive smarter decisions	**Mulesoft** Platform that enables integration capabilities within SFDC ecosystem and beyond	**Customer 360 Platform** Platform to build mobile-ready applications leveraging next-generation technologies

Industry products

Financial services	**Healthcare and life sciences**	**Government**	**Manufacturing**	**Consumer goods**	**Philanthropy**

Consulting services
- Product(s) selection, feasibility, and readiness assessments
- Roadmap formulation
- Compliance assessment
- Compliance strategy development
- Security assessment
- Governance strategy development
- Process analysis
- Change management strategy development

Implementation services
- Requirements gathering
- Technical and functional design
- Configuration and integration design
- Identify and map data conversions
- Workload(s) integration
- System configurations
- Process configurations
- Configure pre-built connectors
- Testing and deployment

Maintenance and support services
- Helpdesk
- Incident management
- Service requests management
- Issue resolution
- Customizations, integrations, and testing
- Service governance and documentation
- Update support
- Enhancements
- Patch updates and bug fixes

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Summary of key messages

Market trends

- The overall CRM market has witnessed a growth of ~15%YOY; enterprise demand for agility and scalability has fueled the demand for Salesforce services
- Salesforce adoption is growing the fastest in the healthcare & life sciences industry (~35% YOY), APAC is the fastest growing Salesforce economy (~35% YOY), and marketing cloud is the fastest growing product (~40% YOY)
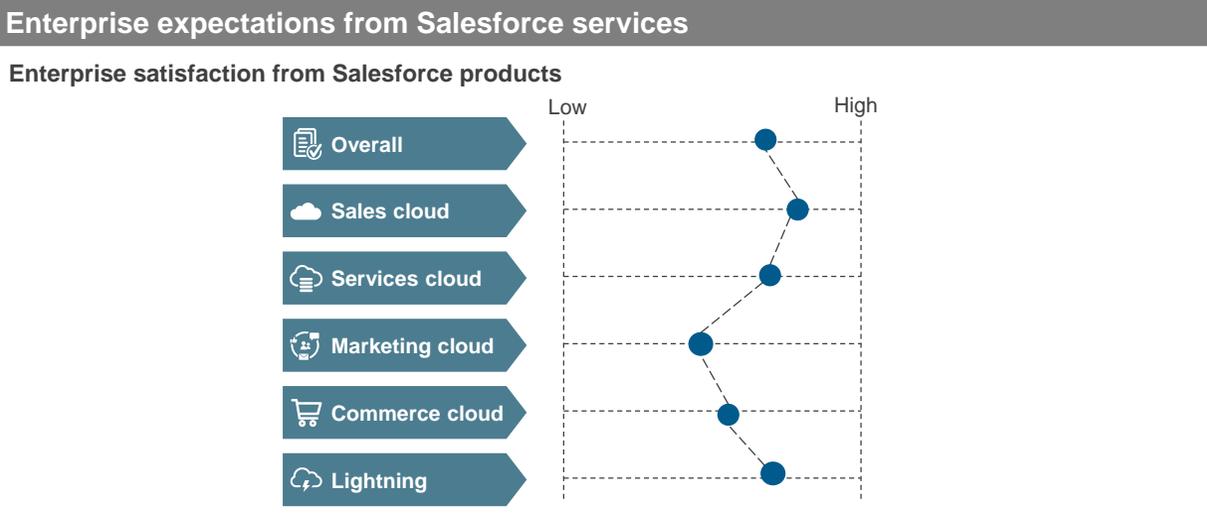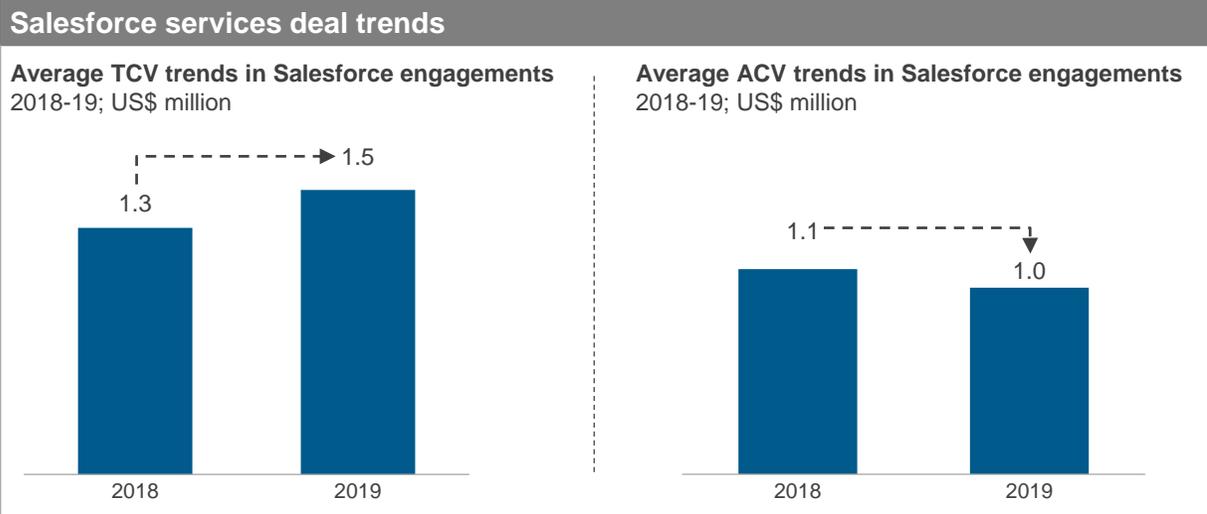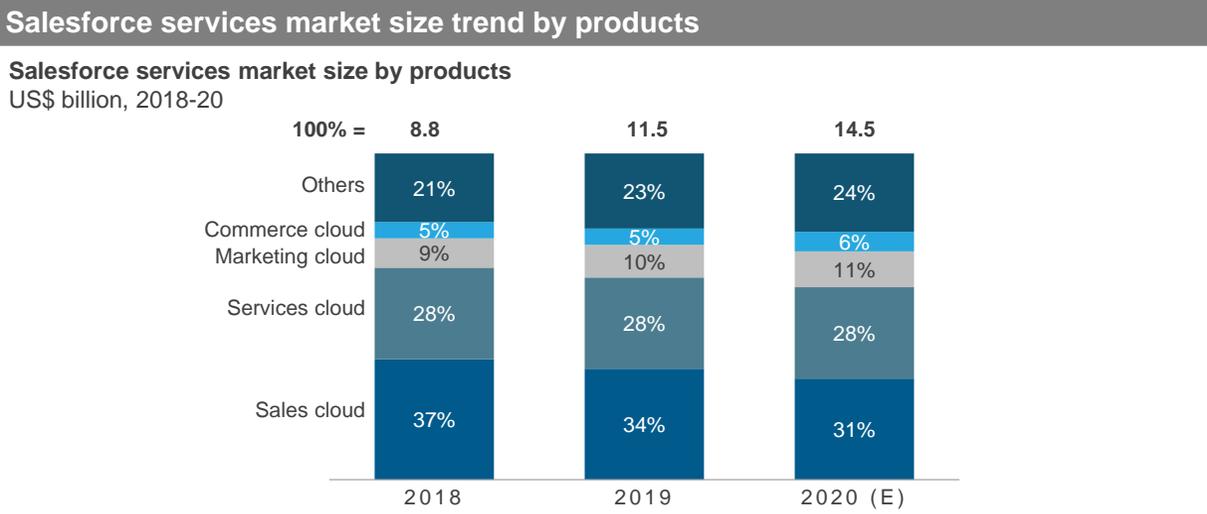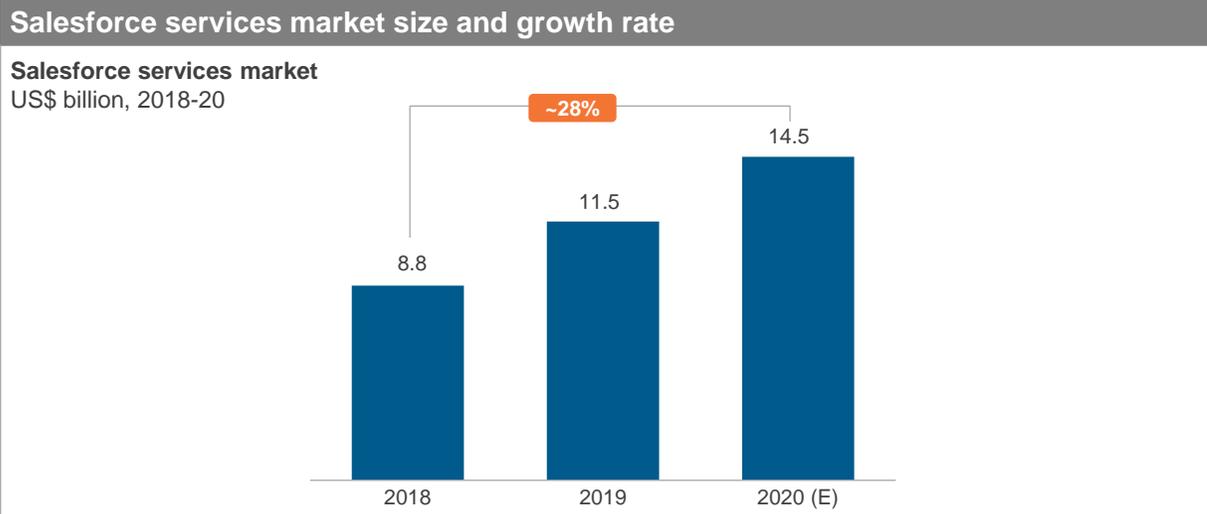
Spend characteristics

- As the focus on customer experience deepens, enterprises are getting into longer term multi-country and multi-product services engagements
- The overall spend on consulting has increased as Salesforce takes a more mission-critical role in the present application portfolios of companies; the need for scalability has increased enterprise focus on process modernization

Buyer expectations

- Enterprise expectation from Salesforce adoption has evolved over the years and now goes beyond customer experience and CRM software implementation to creating competitive advantage
- Mulesoft adoption is expected to increase two-folds in the next 12-18 months, as enterprises grapple with integration and user adoption challenges

This study offers a deep dive into key aspects of Salesforce services market; below are four charts to illustrate the depth of the report

Salesforce services market size and growth rate

Salesforce services market
US$ billion, 2018-20

~28%

- 2018: 8.8
- 2019: 11.5
- 2020 (E): 14.5

Salesforce services market size trend by products

Salesforce services market size by products
US$ billion, 2018-20

100% = 8.8 | 11.5 | 14.5

	2018	2019	2020 (E)
Others	21%	23%	24%
Commerce cloud	5%	5%	6%
Marketing cloud	9%	10%	11%
Services cloud	28%	28%	28%
Sales cloud	37%	34%	31%

Salesforce services deal trends

Average TCV trends in Salesforce engagements
2018-19; US$ million

- 2018: 1.3
- 2019: 1.5

Average ACV trends in Salesforce engagements
2018-19; US$ million

- 2018: 1.1
- 2019: 1.0

Enterprise expectations from Salesforce services

Enterprise satisfaction from Salesforce products

Low — High

- Overall
- Sales cloud
- Services cloud
- Marketing cloud
- Commerce cloud
- Lightning

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Research calendar – Enterprise Platform Services

Flagship EPS reports	Release date
Enterprise Platform IT Services in BFS PEAK Matrix™ Assessment 2019: Modernization at Speed and Scale	June 2019
Workday Human Capital Management (HCM) IT Services – PEAK Matrix™ Assessment and Market Trends 2019	July 2019
Services for Cloud ERP – PEAK Matrix™ Assessment 2020: The Market is Growing but Not Fast Enough	November 2019
Salesforce Services PEAK Matrix® Assessment 2020	May 2020
Salesforce Services Provider Compendium 2020	May 2020
Salesforce Services – Solving for the Missing Link	**June 2020**
Salesforce Services PEAK Matrix® Assessment 2020 – Focus on Sales & Service Cloud and Marketing Cloud	Q2 2020
ServiceNow Services PEAK Matrix® Assessment 2020	Q3 2020
ServiceNow Services PEAK Matrix® Assessment 2020 – Service Provider Compendium	Q3 2020
ServiceNow Services – State of the Market Report 2020	Q3 2020
BigTech Battle – Integration Platforms	Q3 2020

Thematic EPS reports	
BigTech Battle: Digital Experience Platforms (DXP) Assessment – Rise of the Digital Experience Platform	June 2019
Rebooting your SaaS Adoption Strategy	Q2 2020
Cloud Cost Management Platforms Trailblazers	Q2 2020
Platform Businesses: Orchestrating Internal and External Ecosystem	Q3 2020
S/4HANA: Learnings from Current Adoption	Q4 2020

Note: For a list of all our published EPS reports, please refer to our website page

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Additional EPS research references

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

1. **Services for Cloud ERP – PEAK Matrix® Assessment 2020: The Market is Growing but Not Fast Enough** (EGR-2019-50-R-3424); 2020. Globally, ERP modernization is part of almost half of all digital transformation projects. Increased Total Cost of Ownership (TCO), enterprise agility, and scalability are driving enterprises to switch from traditional on-premise ERP platforms to cloud ERP. However, organizations face multiple challenges in adopting cloud ERP, including legacy ERP burden, cloud unreadiness, and business disruption risk, among others. In this report, we chart the road for enterprises to successfully adopt cloud ERP by following the five key steps of cloud ERP adoption. We also present an assessment and detailed profiles of 12 IT service providers featured on the Services for Cloud ERP PEAK Matrix

2. **Workday HCM IT Services – PEAK Matrix® Assessment and Market Trends 2019: HCM on Cloud the New Paradigm – Workday Leads the Way** (EGR-2019-32-R-3235); 2019. Workday has led market growth with its consistently high user satisfaction scores. It is continuously investing in the development of analytics capabilities and is building a platform for extending and customizing its HCM suite. However, with competitors' growth catching up to Workday's, enterprises must carefully consider an HCM suite's functionality, experience, and overall cost while making their selection. In this research, we present the assessment and detailed profiles of 12 IT service providers featured on the Workday HCM IT Services PEAK Matrix

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

Yugal Joshi, Vice President   yugal.joshi@everestgrp.com

Alisha Mittal, Practice Director   alisha.mittal@everestgrp.com

Abhishek Mundra, Senior Analyst   abhishek.mundra@everestgrp.com

AS Yamohiadeen, Senior Analyst   as.yamohiadeen@everestgrp.com

EPS Team: eps@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com

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 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.

Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-80-61463500

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

New York
info@everestgrp.com
+1-646-805-4000

Toronto
canada@everestgrp.com
+1-416-388-6765

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