

From Dissatisfaction to Delight: Sustaining Client Satisfaction in the Post-pandemic World

March 2021: Complimentary Abstract / Table of Contents



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Membership information

- This report is included in the following research program(s)
 - [Application Services](#), [Cloud and Infrastructure](#), [Data & Analytics](#), [Digital Services](#), [Enterprise Platform Services](#), [BFS ITS](#), [Insurance IT Services](#), [Healthcare IT Services](#), [Life Sciences IT 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

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Background of the research

Background of the research

- The uncertainties caused by the pandemic have challenged the business continuity of many enterprises globally. This has pushed the pace of adoption of a digital-first working model for remote collaboration and has opened new doors for innovation
- Service providers have fared well in terms of adapting to the sudden shift in enterprises' demands; and their investments in cloud, digital, and data, has come out to be the perfect combination in terms of filling the supply-demand gap in the IT services industry. More importantly, service providers and product vendors stepped up to become true partners to help enterprises adapt to this reality and ensure businesses kept running to support the economic recovery.
- Everest Group believes that it is imperative to understand the true picture around enterprises' IT investment priorities and their experience in working with service providers
- In this research we present:
 - A summary of various enterprises' views regarding the capabilities of services providers they engage across applications, digital, cloud & infrastructure, and enterprise platform services
 - Enterprises' views about their key investment priorities in technology and digital services for 2021
- The assessment is based on **523** unique interviews (not a survey), conducted in 2020, with enterprises globally across service lines such as application services, digital services, enterprise platform services, and cloud & infrastructure services. These enterprises were nominated as reference clients by different service providers and product vendors across multiple PEAK Matrix® evaluations of Everest Group

Scope of this report:



Geography
Global



Interviews
523 interviews



Services
IT application services,
digital services, cloud & infrastructure,
and enterprise platform services



Technology vendors
68 global technology vendors

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

01

Robust definitions and frameworks

PEAK Matrix®, market maturity, and technology adoption/investment

02

Primary sources of information

Annual contractual and operational RFIs, technology vendor briefings and buyer interviews, web-based surveys

03

Diverse set of market touchpoints

Ongoing interactions across key stakeholders, input from a mix of perspectives and interests, supports both data analysis and thought leadership

04

Fact-based research

Data-driven analysis with expert perspectives, trend-analysis across market adoption, contracting, and technology vendors

Proprietary contractual database of over 500 buyer interviews (updated annually)

Year-round tracking of 60+ IT technology vendors

Large repository of existing research in IT services

Over 25 years of experience advising clients on strategic IT, business services, engineering services, and sourcing

Executive-level relationships with buyers, technology vendors, technology providers, and industry associations

Research methodology | enterprise pulse study

Enterprise reach-out

Conducted 523 enterprise interviews in 2020 as part of PEAK Matrix® assessments across IT services, spanning multiple industries and geographies; technology vendors assessed in these reports shared the enterprise references

Data synthesis and analysis

Assessed performance themes, conducted gap analysis, and analyzed the future market potential of technology vendors across different IT services functions (e.g., digital, testing, ADM, infrastructure, and cloud)

Data collection

Structured interviews¹ (~15 questions) with each enterprise, capturing quantitative and qualitative insights across technology priorities, digital agendas, outsourcing strategies, and perceptions about technology vendors

We conducted interviews¹ with enterprises that technology vendors nominated as reference checks for our various PEAK Matrix® assessment projects. Each enterprise was asked multiple questions regarding their experience of working with specific technology vendors and their investment priorities.



1 Please refer to the Appendix for more details related to the questionnaire discussed with enterprises

Executive summary



The proportion of satisfied customers has increased by 21% over 2019-20, as opposed to a 5% drop in satisfaction levels over 2018-19.

Enterprises are satisfied with their technology vendors in terms of technical and domain expertise, flexibility of engagement, and relationship management with senior stakeholders.

Enterprises are dissatisfied with the lack of innovation and resource productivity management. They want better reporting, knowledge transfer, and standardization across long-term projects.

More than 80% of the enterprises highlight cost management their top business mandate. About 40% of enterprises indicate automation and cloud adoption as their top digital levers to achieve profitability and growth.

Satisfaction levels have seen an uptick across industries; however, enterprises point to the need to accelerate flexible pricing models to deal with the pandemic-induced uncertainties.

Overview and abbreviated summary of key messages

- Technology vendors have stood up to be true strategic partners, helping enterprises navigate the implications of the pandemic exceptionally well as the proportion of satisfied customers has increased by 21% over the last one year, and 16% over the last two years
- The report discusses why enterprises' satisfaction have increased during 2019-2020 as opposed to a drop during 2018-19 and draws correlations with the effect of the pandemic on enterprises' shift in expectations. It also talks about how enterprises will prioritize their investments in the future in order to meet their business goals.

Some findings in this report, among others, are:

Increased satisfaction

- Their investments in enhancing their offerings in cloud, digital, and data have increased enterprises' satisfaction this year as they look at adopting newer technologies and building industry-specific partnerships
- Enterprises also stated that appreciate technology vendors that provide the right level of technical and domain expertise, are flexible and responsive to market fluctuations and deliverable expectations, and most importantly are partner strategically as opposed to a transactional relationship

Enterprises' priorities

- As they enter 2021, their key focus areas would be cost reduction, revenue growth, and risk and compliance
- Cost reduction stands out to be the single biggest focus as they start embracing the shift to a digital-first business model, consisting of increased automation initiatives, cloud adoption, modernization, and rationalizing their application, infrastructure, core systems, and application landscape

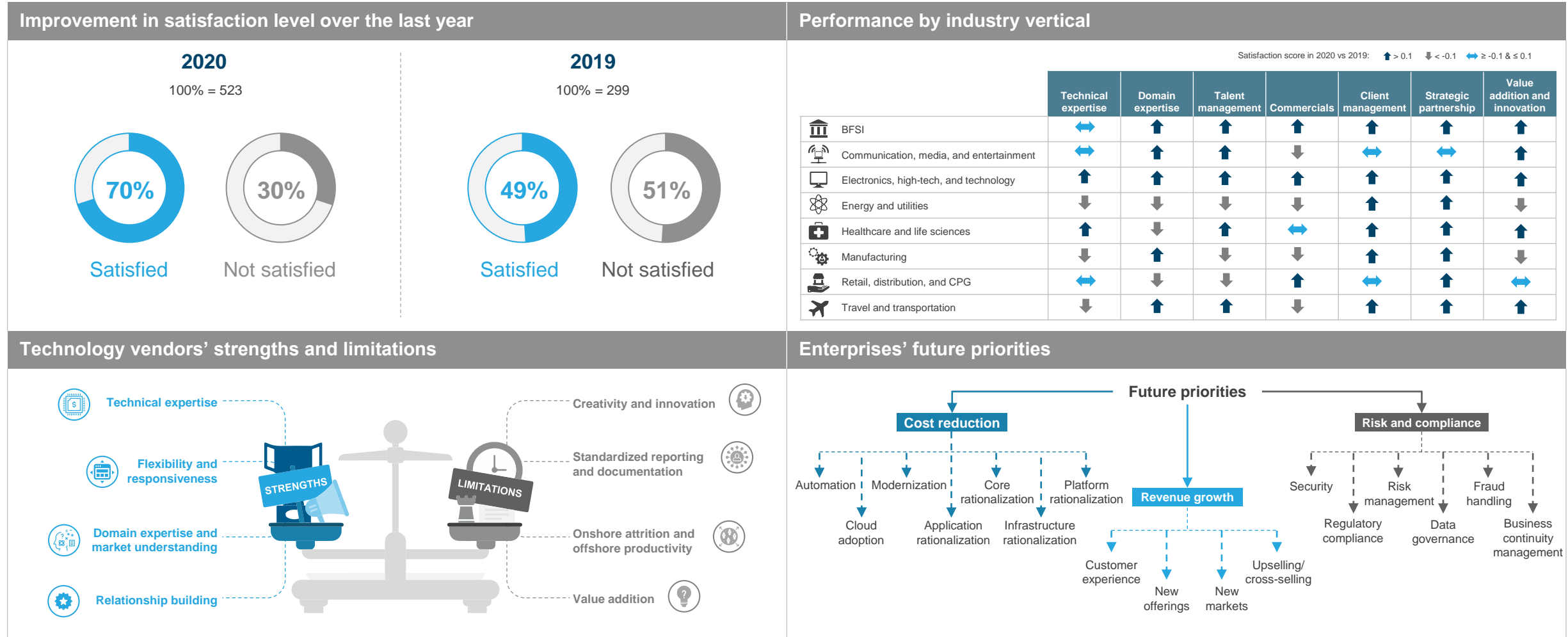
Service provider performance

- Technology vendors rose to the challenge and stood up to be true partners for enterprises to maintain business continuity during the pandemic, and have been loudly applauded for their client management capabilities
- A major area of dissatisfaction across verticals has been with technology vendors' inability to provide the right commercial constructs. With their global operations coming to a halt, enterprises faced a serious cash crunch and were dissatisfied with technology vendors' inability to adjust their pricing models to suit their short-term requirements

Enterprises' expectations

- Enterprises want technology vendors to be transparent and provide strategic support beyond the engagement; they want them to be proactive and not reactive towards monitoring and handling uncertainties
- Since enterprises' budget had budget had been severely hit due to restricted operations, they want service providers to be flexible in terms of offering suitable commercial constructs

The study analyzes enterprises' expectations from service providers and their future investment priorities and objectives



Research calendar

Information Technology Services

■ Published
 ■ Planned
 ■ Current release

Flagship ITS reports

	Release date
Insurance Business Model Innovation Enablement Services PEAK Matrix® Assessment 2021 – Pathways to Drive Competitive Advantage Amidst Uncertainties	November 2020
Application and Digital Services in Capital Markets PEAK Matrix® Assessment 2021	November 2020
Salesforce Healthcare Services PEAK Matrix® Assessment 2021	December 2020
Artificial Intelligence (AI) Services – State of the Market Report 2021 Scale the AI Summit Through Democratization	January 2021
From Dissatisfaction to Delight: Sustaining Client Satisfaction in a Post-pandemic World	March 2021
Application and Digital Services in Banking PEAK Matrix® Assessment 2021	Q2 2021
Open Banking Platforms PEAK Matrix® Assessment 2021	Q3 2021
Digital Claims Solutions PEAK Matrix® Assessment 2021	Q4 2021

Thematic ITS reports

	Release date
Strength in Adversity: Enterprise Service Resilience During the COVID-19 Crisis	June 2020
BigTechs in BFSI Industry: The Theory of Co-existence for Market Expansion	August 2020
Charting the Skilling Journey to Build the IT Services Talent of Tomorrow: Replacing the Commodity IT Services Role Definitions	August 2020
With Spin-off, IBM Finally Embraces a Cloud and AI-first Future	October 2020
Is Work From Home (WFH) the Future of Work? A Perspective on WFH, Locations, and Delivery Strategy Beyond COVID-19	December 2020
Recalibrating for Resiliency – 2021 Key Issues in Global Sourcing – Enterprise IT Perspective	January 2021
London Insurance Market – State of the Market Report 2021 Evolution or Digital Revolution ?	Q4 2021

Note: For a list of all of our published Information Technology Services reports, please refer to our [website page](#)



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