

Digital Services State of the Market Report 2021: Fostering Value through Rearchitecting Change Management

April 2021: Complimentary Abstract / Table of Contents



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

Nitish Mittal, Vice President

Alisha Mittal, Practice Director

Nisha Krishan, Senior Analyst

Taranvir Singh, Analyst

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Background of the research

- The pandemic's effect on the acceleration of digital transformation was profound across industries, with enterprises shifting gears to get on the digital bandwagon to not just digitize operations and offerings but create a digital DNA for business resilience. This was evident from the investments in mature, industry specific use cases and increased investments in pandemic-stemmed use-cases such as 'at-home' shopping experiences, end-point security, process automation and supply-chain digitization. From these digital initiatives alike, enterprises experienced outcomes such as unrealized ROI, late ROI, short-lived adoption of new processes and technology and inertial resistance to change in technology, processes and culture.
- About 68% enterprises that embarked upon digital transformations have not realized the envisioned outcomes creating a need to rethink the approach and investments in such projects. Unfolding technology initiatives in a vacuum have put a spotlight on the incomplete approach to implementing digital transformation. Budding from low adoption trends within the organization and propagating to unfavorable cultural dynamics, low job satisfaction, incomplete and slow value realization from digital transformations, enterprises are realizing the need to bring in effective change management strategies and execution, bundled within digital initiatives.
- Organizational change management, a lever that goes much beyond technology adoption has now gained the spotlight. Galvanized by the remote-hybrid work model, enterprises accredited the deviation in achieving outcomes from digital transformations to undefined and/or ineffective change management strategy.
- As enterprises charter their journey towards becoming a digital entity, they will have to rethink, rearchitect, and fortify a change management strategy to accomplish the transformational goals.

Scope of this report:



Geography
Global



Industry
All industries



Services
Digital Services

Summary of key messages



Digital services landscape

- The digital services landscape evolved in maturity and saw acceleration in adoption in the last year. There were increased and scaled engagements leveraging next-generation technologies for business continuity and resilience
- Reinventing stakeholder experience, improving operational efficiency, and modernizing application and infrastructure were the key objectives of investments in digital services



Accelerated transformations, unrealized outcomes

- As digital transformations became the default route to remain relevant, enterprises faced incomplete value realization, manifesting in slow adoption, resistance to change, eventually taking form of attritions, unfavorable organizational culture and negative transformation outcomes
- To counter the resistive forces, enterprises need to implement a fit-for-purpose change management strategy, that ensures early and active involvement of internal stakeholders, manages resistance proactively, leverages technology to smoothen the change curve and creates an ecosystem to embrace the change



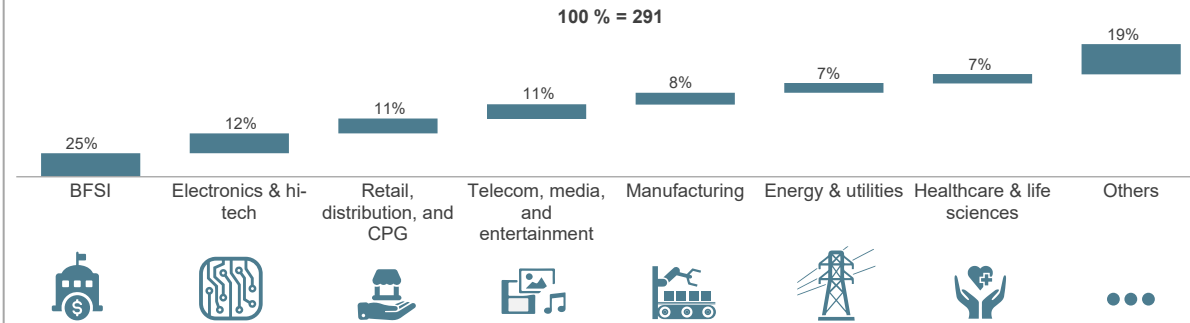
Innovation in change management

- As enterprises realize the need to shift focus toward managing change and ensuring success from digital transformations, innovations in the change management strategy become imperative
- Investment in facilitating technology, governance initiatives, data literacy, effective coaching, and innovating communication channels ensure that the organizational change management strategy is adopted and embraced without resistance

This study offers 3 distinct chapters providing a deep dive into key aspects of digital services market; below are four charts to illustrate the depth of the report

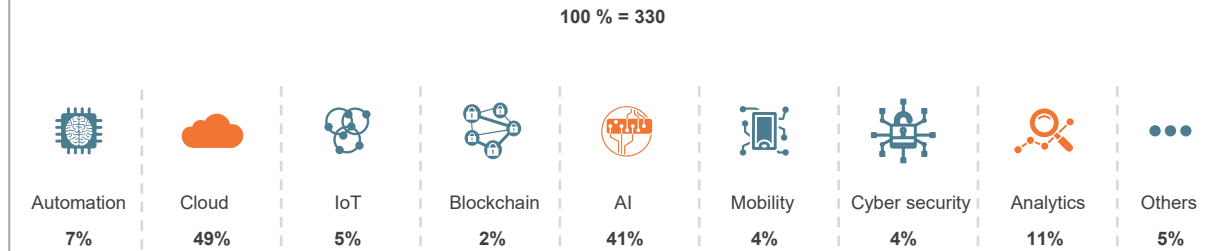
BFSI stands out with highest number of digital services deals

Distribution of digital services deals by industry
2020; percentage of deals



Cloud, AI and Analytics are key technologies witnessing highest adoption

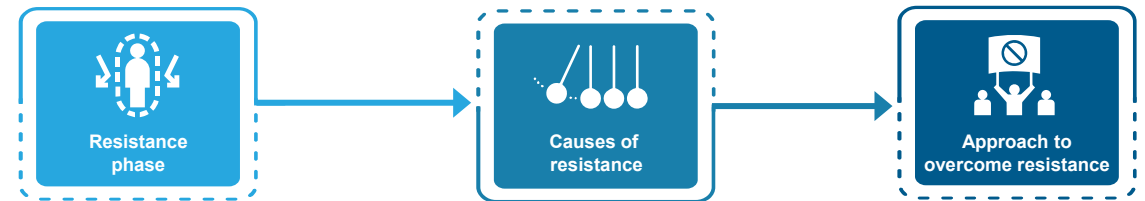
Adoption trends in digital services deals by technology
2020; percentage of deals



Change management is a critical lever within digital transformation



Proactive addressal of resistance is the key to change management



Research calendar

Digital services

Published Planned Current release

Artificial Intelligence (AI) Services PEAK Matrix® Assessment 2021	November 2020
Artificial Intelligence (AI) Services PEAK Matrix® Assessment 2021 – Service Provider Compendium	December 2020
Artificial Intelligence (AI) Services – State of the Market Report 2021 Scale the AI Summit Through Democratization	January 2021
Digital Interactive Experience (IX) Services State of the Market Report 2021 – Moving from Persuasive to Purpose Driven Experiences	February 2021
Digital Services State of the Market Report 2021: Fostering Value through Rearchitecting Change Management	April 2021
Enterprises Blockchain Services PEAK Matrix® Assessment 2021	Q2 2021
Digital Transformation Services PEAK Matrix® Assessment 2021	Q3 2021
Digital Interactive Experience (IX) Services PEAK Matrix® Assessment 2021	Q3 2021

Thematic digital services reports

Experience Design: Rearchitecting the Trust Equation Through a Human-centered Design Approach	June 2020
Customer Data Platform Trailblazers: Top 15 Startups Redefining Hyper-personalization	March 2021
Viewpoint on Operationalising Machine Learning at scale (MLOps)	Q2 2021
Industry Report on untangling the explainability ecosystem	Q2 2021
Industry Report on Deconstructing AI governance for a scaled adoption	Q2 2021

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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
+1-647-557-3475

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