Everest Group® RESEARCH

Thematic Report | Enterprise Platform Services

Assessment of the Niche ServiceNow Services Partner Ecosystem – Evaluation of the Top 15 Specialist ServiceNow Partners

May 2021: Complimentary Abstract / Table of Contents

EGR-2021-50-CA-4348

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- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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Introduction

ServiceNow is growing at an exponential pace to reach its US$10 billion revenue target by 2024/25. It is seen as a platform of platforms or a system of engagement across major stakeholders including IT, customers, and employees. The partner ecosystem is trying to keep up with the pace of ServiceNow.

At Everest Group, we have been tracking the ServiceNow services market for the past few years. Last year, we published ServiceNow Services PEAK Matrix Assessment 2021, where we presented an analysis of 20 global service providers providing ServiceNow-related IT services. Our recently published work, ServiceNow Services – the Uberization of IT, HR, and Employee Workflows, provides an overview of the ServiceNow services market, typical deal characteristics, enterprise challenges and best practices, and implications for service providers.

As a part of our ongoing research agenda, this document presents insights into the long tail of SI network in the ServiceNow partner ecosystem. This long tail or specialist ServiceNow partners have gained significant importance over the past few years, as they cater to rising enterprise demand for ServiceNow services. Enterprises approach these specialist players for bringing in capabilities in emerging product categories, owing to the agility and innovation appetite of these small players.

For most of the other product ecosystems, where the capabilities required to gain the highest level of partnership are directly correlated to the scale of operations except in the case of ServiceNow, service providers can attain Elite/Premier status even with a scale of 30-40 resources. This is also reflected in the enterprise demand theme, where in many cases enterprises end up preferring specialist service providers over large SIs.

This study offers four distinct chapters providing a deep dive into key aspects of specialist ServiceNow services partner ecosystem; below are four charts to illustrate the depth of the report

Acquisitions galore in the ServiceNow services market

Since the time global partners have observed a scarcity of talent, they have taken an inorganic route to bridge this gap. Even private equity firms have been keen in investing in ServiceNow partners. This space is evolving quite fast and has witnessed exponential growth in the number of acquisitions now than ever before. We have already witnessed six acquisitions this year (refer to the table below that highlights ServiceNow partner acquisitions since the beginning of 2021) and expect the trend to continue.

Everest Group's take on acquisitions in the ServiceNow ecosystem

Since last year, there have been 17 acquisitions focused on ServiceNow services. Three-fourths of these have been of pure-play providers and others have significant focus on ServiceNow. We expect this trend to continue as ServiceNow becomes the mainstay of digital transformation for enterprises. The pure-play ServiceNow partner ecosystem is consolidating at a faster pace, a similar trend observed for Salesforce a few years back. Pure-play partners are more focused on ramping up scale and positioning themselves as a transformation partner.

January 2021

Acquirer	Target	ServiceNow Capabilities in the target
SUNSTONE PARTNERS	evergreen, cerna, novo/scale	The group of three forms one of the large pure-play ServiceNow partners. Evergreen Systems and Cerna Solutions are Elite partners, whereas Novo-Scale is a Premium partner
Cognizant	linium	Linium is ServiceNow Elite p artner focused on cloud transformation
sapphire	ITOM Solution	ITOM Solution specializes in IT Operations Management, AiOps, Application Performance Management (APM), and IoT cloud services
MILESTONE	COVESTIC	Covestic is ServiceNow Elite partner focused on ITSM, ITOM, CSM, SecOps, and GRC. It also offers managed services to help enterprises maintain their ServiceNow environments

February 2021

Acquirer	Target	ServiceNow Capabilities in the target
UST	abhra	abhra's ServiceNow practice is focused on industry capabilities that empower organizations to streamline operations

April 2021

Acquirer	Target	ServiceNow Capabilities in the target
GlideFast	CLOUDPIRES	As part of the deal, GlideFast will add more than 50 new team members from CloudPires, including the company's CEO, Mat Barter, and its CTO, Matt Saxton

Profiles of top 15 specialist ServiceNow partners | Specialist Leaders

Cask

Estimated ServiceNow resources: 160-180

Headquarters: San Diego, California, United States

Overview

Cask offers ServiceNow solutions across IT, HR, security and risk management, customer service, finance/ procurement, and operations to modernize employee, customer, and constituent user experience. It is focused on catering to the North American market.

Commentary

- Enterprises can benefit from Cask's large certified talent pool, specifically in emerging areas – with focus on application developers that are core to implementation services
- Cask has been recognized by technology vendor global and regional awards, further cementing its reputation

enable

Estimated ServiceNow resources: 230-250

Headquarters: Melbourne, Victoria, Australia

Overview

Enable offers advisory and delivery services across multiple ServiceNow modules including HR, GRC, SecOps, CSM, ITOM, ITBM, and ITSM. Its delivery is focused on catering to the APAC market.

Commentary

- Enterprises can benefit from Enable's scale of certified talent focused on ITSM
- Enable has been recognized by technology vendor with regional award for the APAC region, indicating its mettle in delivering ServiceNow solutions in this region

Profiles of top 15 specialist ServiceNow partners | Specialist Leaders

GlideFast consulting

Estimated ServiceNow resources: 230-250

Headquarters: Woburn, Massachusetts, United States

Overview

It offers services across implementing, integrating, and managing the ServiceNow platform along with offering consulting services to its clients. GlideFast is focused on delivering services in the North American region.

Commentary

- Clients can benefit from GlideFast's large, certified talent pool with focus on application developers that are core to implementation services
- GlideFast is seen hiring a lot of ServiceNow talent, indicating its appetite to grow and serve its increasing clientele. It recently acquired ServiceNow Elite partner CloudPires

THIRDERA

Estimated ServiceNow resources: 160-180

Headquarters: Leesburg, Virginia, United States

Overview

Thirdera has been recently formed out of Evergreen, Cerna, and Novo/Scale. It focuses on providing an Amazon-like experience for employees and customers. Though it has expertise in ITSM/ITIL practices but caters to the entire portfolio of ServiceNow modules. Its focus is on catering to the Americas.

Commentary

- Enterprises can benefit from Thirdera's certified talent pool, specifically in emerging areas such as HR, CSM, and security
- Thirdera's relatively higher CSAT score than peers bolsters its proven track record of delivery excellence and its ability to cater to clients' emerging demands

Future of specialist ServiceNow services partners

We expect ServiceNow services market, which is growing at 32%, to reach US$16.5 billion by 2025. This provides ample opportunities for 115 specialist service partners we analyzed, who currently have less than 6% aggregated market share. However, this growth will require specialist service providers to continue enhancing their capabilities across five major dimensions:

Talent: In our enterprise pulse research published last year, 43% of enterprises said they were unhappy with the talent quality of their GSI partners. This is the key value a specialist service partner brings to the client. Our analysis suggests specialist service providers have 1.7 certification per resource compared with less than one for large GSIs. These service providers should continue investing in certification programs and external L&D initiatives.

Product knowledge: Enterprises value specialist service partner capabilities to understand the newer functionalities of the ServiceNow platform better than larger GSIs. Large GSIs in most cases are slow to react to product vendor innovations. These service providers should increase the focus on non-ITSM areas to create differentiation

Past project insights: This is an area most specialist service providers struggle with.
They are unable to codify their understanding of past projects to bring value to ServiceNow engagements. They still rely on core capabilities of their talent rather than tools, platforms, and other IPs they can bring to drive higher value for clients. Without cross leveraging their insights from earlier projects, they will struggle to serve large enterprises

Account-based marketing: Specialist service providers lag in proactive account investment and rely more on an ad hoc sales strategy. This model cannot cater to the massive growth opportunities available for ServiceNow. We recommend these providers to better understand clients' business priorities, technology initiatives, competitive landscape, and key organizational leadership. This will help them prioritize their sales efforts and drive greater market success

Client education: Specialist service partners should leverage their unique position to educate ServiceNow client base and the broader market. They should push enterprises to adopt ServiceNow as a digital transformation platform. For this, these providers need to build a transformative use case repository and working prototypes of solutions that do not need proof-of-concept. In addition, they should proactively mine clients' business landscape to find newer ServiceNow opportunities

Research calendar
Enterprise Platform Services (EPS)

Published | Planned | Current release

Flagship EPS reports	Release date
Pega services profiles compendium	February 2021
ServiceNow Services – the Uberization of IT, HR, and Employee Workflows	February 2021
Enterprise Platform Services – Renewal Opportunity for Service Providers	February 2021
Salesforce healthcare services – State of the market 2021	March 2021
S/4HANA Services PEAK Matrix® Assessment 2021	May 2021
S/4HANA Service Provider Compendium 2021	May 2021
S/4HANA Services – State of the Market Report 2021	Q2 2021
Microsoft Dynamics Services PEAK Matrix® Assessment 2021	Q2 2021
Supply Chain Management (SCM) platforms PEAK Matrix® Assessment 2021	Q3 2021
Oracle Cloud Application Services / Oracle SaaS Services PEAK Matrix® Assessment 2021	Q4 2021

Thematic EPS reports	Release date
Cloud Management Platform Trailblazers: Top 10 Start-ups Creating Buzz in the Market	October 2020
Assessment of the Niche ServiceNow Services Partner Ecosystem – Evaluation of the Top 15 Specialist ServiceNow Partners	**May 2021**
Rise of the Disruptive SaaS	Q2 2021
Customer Experience (CX) – What Clients Expect from Adobe, Salesforce, SAP, and Oracle?	Q3 2021
SaaS Management Platform Trailblazer	Q3 2021

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

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