

# Salesforce Services – Unpacking Salesforce Industry Cloud Growth Momentum

September 2023: Complimentary Abstract / Table of Contents



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## Background of the research

Early adopters of Salesforce services were looking to effectively manage customer relationships, market targeted products, explore sales performance, and drive cost-efficiency riding on the cloud wave. As the Salesforce technology landscape broadened, enterprises' approach toward Salesforce has evolved from being a reactive relationship management approach to a proactive approach toward Customer Experience (CX). Enterprises leverage CX as a key channel that opens new streams of revenue. They seek to create a 360-degree customer view leveraging advanced analytics to better engage and offer a personalized experience to generate new opportunities

In recent times, enterprise expectations have evolved to generate faster RoI from their Salesforce investments. In this regard, Salesforce has introduced its Industry Cloud products and augmented industry capabilities through the acquisition of Vlocity. To respond to these evolving demand themes, IT service providers are building industry-specific solutions to expedite time-to-market needs for their clients and have also made tuck-in acquisitions to fill gaps across their Salesforce services portfolio and further enhance their geographic footprint

In this research, we focus on :

- Salesforce Industry Cloud service market overview with market size split by geography, industry, and buyer size
- Salesforce Industry Cloud services deal characteristics including typical spend across the value chain, delivery footprint, and deal origination trends
- Key enterprise demand trends, including reference architecture of industry clouds, Salesforce Industry Cloud key drivers and limitations, future of industry clouds, and top service providers with greater focus on IPs across industries and their key focus areas
- Implications for enterprises and IT service providers

### Scope of this report



**Geography**  
Global



**Industry**  
Market activity and investments of leading  
Salesforce service providers



**Services**  
Salesforce Industry  
Cloud services

## Overview and abbreviated summary of key messages

This report examines the global 2023 Salesforce Industry Cloud services landscape. It focuses on current growth, strengths, challenges for enterprises adoption, deal characteristics, and key market trends. It also talks about future of Industry clouds and identifies the key implications of the research findings for enterprises and service providers.

Some of the findings in this report, among others, are:

### Market size and growth

- Salesforce Industry Cloud continues to grow because of its multitude of Out-of-the-box (OOTB) processes and its focus on expediting time-to-value for enterprises
- While adoption is primarily driven by large customers, mega buyers have shown reservations; small and medium-sized businesses (SMBs) are showing healthy adoption to achieve flexibility and cost benefits

### Deal characteristics

- Enterprises are increasingly driven by the objective of realizing quicker returns on investment, leading to increased spending on upstream activities
- The role of functional heads has become crucial for enterprises with respect to Salesforce Industry Cloud engagements

### Key market trends

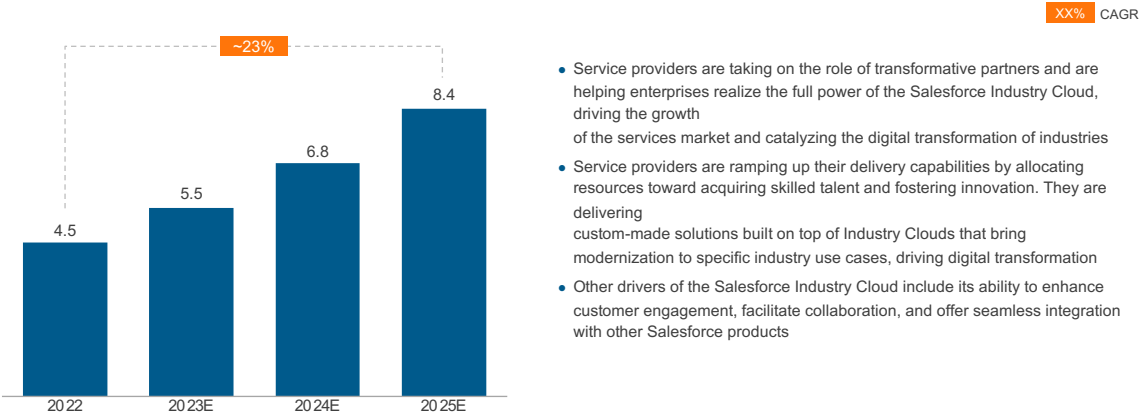
- Enterprise platform adoption mindset is shifting from IT modernization to driving the core business growth agenda with focus on industry-specific needs
- Salesforce should address few product- and enterprise-specific areas to make its Industry Cloud offerings more suited to enterprise needs
- Industry clouds will gain prominence in the market and will become a crucial aspect in driving enterprises' digital initiatives in the next few years
- Top service providers are delivering value with industry-specific IPs and solutions in the Salesforce ecosystem

### Implications

- Five-point framework for enterprises for a successful Salesforce Industry Cloud engagement
- Implications for service providers

# This study offers five distinct chapters providing a deep dive into key aspects of Salesforce Industry Cloud services market and what it means for enterprises; below are four charts to illustrate the depth of the report

## Salesforce Industry Cloud services market size and growth



- Service providers are taking on the role of transformative partners and are helping enterprises realize the full power of the Salesforce Industry Cloud, driving the growth of the services market and catalyzing the digital transformation of industries
- Service providers are ramping up their delivery capabilities by allocating resources toward acquiring skilled talent and fostering innovation. They are delivering custom-made solutions built on top of Industry Clouds that bring modernization to specific industry use cases, driving digital transformation
- Other drivers of the Salesforce Industry Cloud include its ability to enhance customer engagement, facilitate collaboration, and offer seamless integration with other Salesforce products

## Key enterprise imperatives addressed by Salesforce Industry Cloud offerings

60% of enterprises consider Salesforce Industry Clouds to be pivotal to their cloud transformation journey and are considering investing in at least one of these Industry Clouds over the span of next two years.

Key enterprise expectations	How are Salesforce Industry Clouds helping
<b>Faster time-to-value</b>	<ul style="list-style-type: none"> <li>• Ability to use pre-built and pre-configured solutions and multiple OOTB-features</li> <li>• Comes with Salesforce best practices and processes well-suited to the customer's industry</li> <li>• Ability to pick and choose solutions, tools, and accelerators from cloud or market-place</li> </ul>
<b>Customer experience excellence</b>	<ul style="list-style-type: none"> <li>• Streamlined customer journeys leading to better user adoption</li> <li>• Businesses can chase Key Performance Indicators (KPIs) for individual personas to provide better CX</li> <li>• Improved data quality leading to better actions and insights</li> </ul>
<b>Industry standard governance and compliance</b>	<ul style="list-style-type: none"> <li>• Comes with industry-specific standards and regulatory and compliance checks</li> <li>• Improved security and privacy measures</li> <li>• Businesses can fulfill their localization needs such as local data governance</li> </ul>
<b>Faster innovation and agility</b>	<ul style="list-style-type: none"> <li>• Ability to transform legacy business processes and bring industry-specificity to businesses</li> <li>• Enterprises can start their transformation initiatives in parallel without interfering with the core operations</li> <li>• Benefit from Salesforce's continuous feature-rich updates and the next-generation technology adoption</li> <li>• Made up of composable blocks that support modular and continuous design</li> </ul>

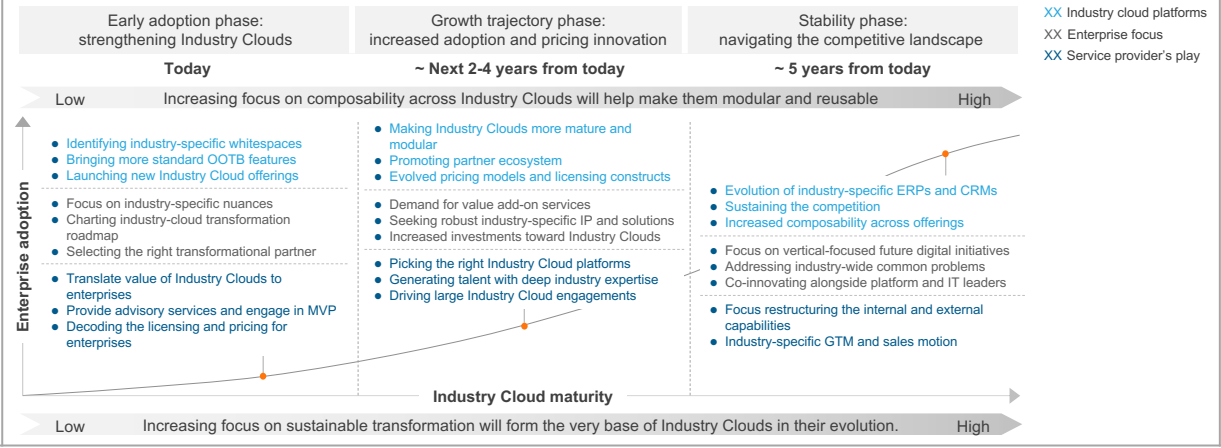
## Key limitations of Salesforce Industry Cloud offerings

Talent availability	Organizational Change Management (OCM)	Integration with Salesforce ecosystem and third-party systems	Product maturity in some clouds
End-user adoption	Learning & development material	Vendor lock-in	Reporting and analytics capabilities
Control over data		Customization capabilities	Real-time capabilities

**Ways in which service partners are helping enterprises**

- Enterprises are seeking service providers' help in co-innovating and implementing OCM frameworks to mitigate risks during implementation
- Enterprises are preferring service providers that address the talent gap in the market for Salesforce Industry Cloud-specific services and have a scalable and talented resource pool with deep industry-specific knowledge
- Service providers are expected to contribute to making robust learning and development modules across Salesforce Industry Cloud products
- Enterprises are seeking guidance from service providers that can help them navigate through Salesforces' continuously evolving commercial constructs
- Service providers are expected to help drive end-user adoption at enterprise-side by conducting continuous training and knowledge transfer sessions

## Decoding future of Industry Clouds



# Research calendar

## Enterprise Platform Services (EPS)

Published Planned Current release

Reports title	Release date
SAP Business Application Services PEAK Matrix® Assessment 2023 – Global	November 2022
Salesforce Industry Cloud Services Provider Compendium 2023	December 2022
Playbook: Transforming Customer and Partner Experiences in the Retail, Consumer Packed Goods (CPG), and Manufacturing Industries	March 2023
Microsoft Dynamics 365 Services PEAK Matrix® Assessment 2023	June 2023
Oracle Cloud Applications Services PEAK Matrix® Assessment 2023	July 2023
Microsoft Dynamics 365 Services – Provider Compendium 2023	July 2023
Enterprise Platform Services: Voice of the Customer 2023	August 2023
<b>Salesforce Services – Unpacking Salesforce Industry Cloud Growth Momentum</b>	<b>September 2023</b>
SAP Business Application Services – State of the Market 2023	Q3 2023
Microsoft Dynamics 365 Services – State of the Market 2023	Q3 2023
Oracle Cloud Applications Services – Provider Compendium 2023	Q3 2023
Oracle Cloud Applications – State of the Market 2023	Q3 2023
Pega Services PEAK Matrix® Assessment 2023	Q4 2023
Pega Services – Provider Compendium 2023	Q4 2023
Pega Services – State of the Market 2023	Q4 2023

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