Ovum

RESEARCH AGENDA 2019

ENTERPRISE SERVICES

Enterprise Services

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Enterprise Services

> Ever-more businesses are either running existing or buying new ICT as managed or cloud-based services. Digitization means that providers – whether IT or telecoms-heritage – must also transform themselves, and how they build, sell, and support their services. Running and growing a profitable B2B business, from network to the cloud, and from core applications to the digital workspace, remains a challenge, especially when business customers are becoming increasingly demanding.

Network Transformation & Cloud

The Market Challenge

Network and the cloud combined allows enterprises to unite their local and remote IT resources. But providers' big and bold top-down attempts to force the cloud and network together have so far gone badly. Cloud computing is led by a few dominant providers that let enterprises centralize, virtualize and automate IT infrastructure efficiently. Network providers are separately wrestling with fundamental changes as their logical and physical networks must migrate to software and greater automation. Evidence shows that cloud and network do succeed together when they consider customer needs, provide services that are secure, remove complexity, and lower costs for enterprises' highly complex and heterogeneous IT environments. Cloud & DC players are creating new competitive pressures and ecosystems that can create opportunity and competition.

RESEARCH AGENDA **2019**

How Ovum helps you

Identify opportunities for service providers to add value and to hyperscale the cloud, both now and in the future of IoT, blockchain, and AI ecosystems.

Identify the software assets and technical and business expertise that service providers can exploit in a cloud-centric world.

Understand how competing service providers are re-engineering their networks to provide more adaptable, software-based WAN services.

Identify the partners required to deliver a transformational network service, including wireless (4G/5G.)

Compare the managed service strategies of leading network and cloud service providers.

Explore enterprise decision-maker managed and hybrid network and cloud requirements.

Brian Washburn
Practice Leader

> " Customers are increasingly looking for flexible network resources and application performance, with network savings or cost less likely to be major decision factors for deploying new network architecture. "

Key Deliverables

Network Service Assessments – track the emergence of transformational network services from leading providers and Tier 2s.

Cloud Service Provider Updates – understand the complex provider landscape for managed hybrid services.

VPN and SD-WAN forecasts – size the market for evolving network services and plan for growth by segments.

Cloud and Network Executive Insights – get into the heads of key enterprise decision makers.

Service provider innovation case studies – short insights into leading-edge providers deploying new technologies and services.

Service Assurance/Application performance – management of increasingly complex physical and virtual mixed environments.

Identifying 5G Enterprise applications and early monetization, and use cases of 5G.

Themes for 2019

SD-WAN and emerging multi-cloud and programmable network environments
Enterprises consume services from a range of providers. Cloud providers and integrators are looking to manage and orchestrate enterprises' multi-cloud and hybrid IT environments. Network providers aim to participate, assigning bandwidth, value-added features and other resources on demand. We focus on the provider models and enterprise services that justify investment, while keeping a focus on the counter-strategies of commodity services. Extension via different channels, MSPs and solution providers are part of this coverage.

Security and resilience to protect enterprise assets
Enterprise customers have grown more confident in the security and resilience of public cloud platforms. Security requirements are also expanding with emerging IoT and 5G applications. However, there's a shortage of talent to architect and manage enterprise IT security. Enterprises need help to protect against, detect, and respond to increasingly sophisticated cyber-attacks. As digital transformation and IoT dissolve the enterprise perimeter, enterprises will become increasingly dependent on service providers to deliver actionable threat intelligence and managed responses to attacks that can come from anywhere.

The evolving role of SIs and MSPs in a cloud-centric world
Traditional service providers are being increasingly sidelined by a new generation of service providers – public clouds. As enterprises migrate more of their applications to the cloud and build solutions using services available in the cloud, such as AI, machine learning, micro-services, IoT, and blockchain, we consider the evolving role of systems integrators and managed services providers. As more enterprise network traffic migrates to the public cloud, we consider the role of network providers as the enterprise WAN becomes a virtualized hybrid of SD-WAN, cloud-on-ramps, edge networks, and 5G.

Successful service models for virtualization/NFV adoption
Virtualization is the future, but providers must build their own roadmap for effective resource usage, whether their goal is building software defined data centers or the software defined network. We monitor the inflection points for providers to orchestrate and manage applications and workloads in a flexible hybrid IT environment including Tier 1 and Tier 2 providers. We also explore the growing role of cloud and data center providers in offering both connectivity and a range of NFV services.
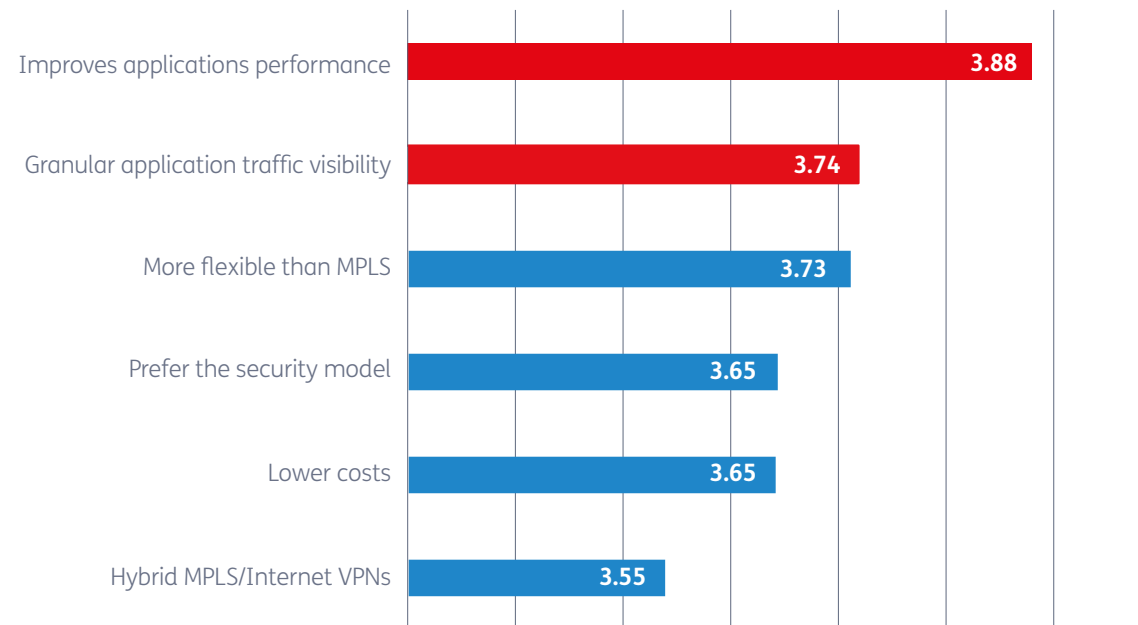
What's new

Increased coverage of transformational network services (SD-WAN), NFV adoption and new entrants.

Enhanced focus on network and cloud services management, with a focus on application performance.

Improved insight into service providers' evolving software transformation and commercial models.

SD-WAN Adoption Drivers: It is all about applications now

Perceived Enterprise Value of SD-WAN Features

Feature	Value
Improves applications performance	3.88
Granular application traffic visibility	3.74
More flexible than MPLS	3.73
Prefer the security model	3.65
Lower costs	3.65
Hybrid MPLS/Internet VPNs	3.55

Applications Performance and Application Traffic Visibility take top spots in enterprise perceptions of SD-WAN, followed by flexibility.

SD-WAN's perceived cost savings had lower priority, but (like SD-WAN security) is an important component of the solution. Ovum similarly finds IT managers increasingly focus on thinking about the network in terms of applications management.

Perceived importance on a scale of 1-4'.

Workspace Services

The Market Challenge

The introduction of new workplace technology and services goes hand-in-hand with new ways of working. Enterprises looking to transform how their employees work and how they interact with customers typically want to improve productivity, enhance customer service and reduce costs.

Businesses are looking for partners that can help them make this difficult and complex transition towards a modern workspace. To meet this demand, providers are building on their traditional enterprise mobility, UC&C, workspace virtualization, and managed security capabilities. However, they need to build their expertise beyond these services and into new areas of technology and professional services if they are to assist enterprises in meeting their business transformation objectives.

Pauline Trotter
Practice Leader

How Ovum helps you

Make sense of the complex digital workspace landscape – how technologies fit together and who will emerge as potential partners.

Identify the growth markets – size the market opportunity and identify which segments will be key.

Build the portfolio – the important technologies and services are identified via our research.

Transform services – advice on where to partner and where to build expertise, as well as how to improve delivery and support.

Key Deliverables

Ovum Decision Matrix – compares unified endpoint management approaches.

Ovum Mobile Workspace Service provider assessments – for enterprises selecting a service provider partner for mobile workspace services.

Forecasts for enterprise communication services – enterprise mobility software & services and unified communications and collaboration forecasts.

Use cases – enterprise experience in evaluating, selecting, implementing, and measuring benefits from workspace tools and services.

Vendor strategy updates – provide insight on new workspace services, technologies, and business models from top providers and new entrants.

Themes for 2019

Mobilizing the workforce
Technology evolution and continuously changing employee needs are driving new approaches to how enterprises manage and secure devices, apps, identity, and the data that runs across them. Enterprise mobility solutions and services feature new capabilities such as cognitive analytics, identity management and single-sign on, unified endpoint management, and advanced group policy management. These advancements will support enterprises in more effectively managing a diverse device, OS, and data estate.

Evolution of enterprise collaboration
The way that enterprises consume and deploy communications and collaboration services technology will change. More and more collaboration tools will be platform-driven, embedded into a diverse set of software, and available for use in multiple applications. CPaaS will integrate communications into business apps, AR will enhance traditional meetings, IoT will trigger communications events, and natural language recognition will provide news ways for people to interface with collaboration apps. This means cloud providers venturing into the collaboration space have a natural advantage and will increasingly challenge traditional or point providers.

Delivering an integrated workspace
Service providers have been evolving their mobile workspace offers to incorporate UC&C services, virtualization, managed security, service delivery, and end user support. As this market evolves, we expect service providers (including telecoms companies, SIs, ITSPs and specialist managed service providers) to focus on helping enterprises deliver an integrated workspace encompassing fixed and mobile working styles. This will require significant investments in professional services skills, integrating new technologies, applications and tools into their services and bringing in new types of partners.

Enterprise use cases for 5G
With 5G on the horizon, mobile network operators are starting to look seriously into how they will monetize the investment in the network and spectrum. Many operators believe that the business segment will provide the early adopters, and this is where the business case will be proved. This research will look at the early use cases for 5G in the enterprise segment, via research with vendors and service providers, and will focus on what early commercial offers might look like.

What's new

Use cases – case studies of emerging business models from service providers and enterprises.

Whole market view – the enterprise workspace market in the context of the market as a whole.

Unified endpoint management – extended coverage of this key requirement.

Video - delivering opinion on key market developments and announcements.

Advanced Digital Services

The Market Challenge

Making use of automation and AI, taking advantage of emerging IoT opportunities, and continuing workload transformation and migration are top priorities for large enterprises. IT departments are reorganizing around business imperatives with broader business-wide stakeholder involvement, while digital transformation is fundamentally changing the status quo.

Service providers' challenge is to satisfy the advanced requirements of the digital enterprise. Security is increasingly complex and requires constant vigilance, while successful application modernization requires deeper, more comprehensive approaches than a simple lift and shift.

Meanwhile, automation and AI have the potential to change the nature of managed services in networks across business processes and in IT departments. How can service providers position themselves effectively in this changing landscape?

How Ovum helps you

Understand market evolution and how to deliver and manage advanced services to support enterprises' evolution into mature digitally-enabled businesses.

Target the end-to-end proposition through a comprehensive view, and avoid treating applications transformation and migration, IoT integration, automation and AI as if they are silos.

Determine must-have security offers to help protect enterprises from security threats as growing digital connectedness makes multinational enterprises an appealing target for cybercriminals.

Learn from profiles of successful service strategies and implementation stories, providing insights into best practice scenarios around leveraging service management as a critical capability.

Mike Sapien
Chief Analyst

Miriam Deasy
Principal Analyst

> More than 54% of IT decision makers at large enterprises consider creating digital capability among their top three priorities.

Key Deliverables

Ovum Decision Matrix – a comparative evaluation that helps enterprises select a provider partner for services.

Trends to Watch – Application Services, Automation / AI

IT / Telco services contracts analytics – a global tracker, updated weekly, which covers publicly announced contracts signed by major service providers.

Enterprise CIO surveys – covering service priorities for large enterprises and MNCs in multiple geographies and industries.

Service provider strategy updates – analysis of new digital services and business service models from top providers, with a particular focus on strategies in applications services and managing customer experience for multinationals.

Themes for 2019

Application and services modernization
Business application modernization and agile process transformation go hand in hand when it comes to building the adaptive enterprise. We examine how systems integrators and other service providers are changing the way they deliver and manage application services and systems integration portfolios, including services around Oracle, SAP and Salesforce. At the same time, we evaluate the features of these software vendors' own platform-based offers and assess whether they are competitive with service providers and SIs, or if they will require new forms of partnership.

Automation and AI technologies: providers driving business outcomes
We examine how service providers are putting automation and AI to use where it matters. Their tools may be a mix of RDA, RPA, AI and cognitive techniques, chatbots and intelligent assistants, but what they use is less important than the use cases and proof points demonstrating improved business outcomes. We track the issues and challenges in deployment and adoption, and evaluate service providers' capabilities, and their process-specific and industry-specific approaches.

Targeting the large enterprise opportunity
The shape of the large enterprise deal is changing. Focus and specialization are even more critical in a generic cloud service future. We provide the most comprehensive picture of the changing shape of the deal in enterprise managed services, by region and globally, with an increased focus on transformational applications services and cloud-based service delivery. Our contracts research provides insight into the market as a whole by provider, industry and service type, and our forecasts cover the total addressable market for the full range of ICT services, from connectivity to applications.

Successful service management
Service provider success depends on placing the relevant people at the heart of decisions about business process and new product/service development. The focus should be on improving the experience or journey: the customer journey, the employee journey, and the partner journey. In this stream we examine how service providers are building out infrastructure and services to support journeys throughout their digital transformation.

What's new

AI services out of Asia-Pac – Ovum Decision matrix examines the overall market impact of new AI services.

Total Addressable Market Forecast (TAM) - Total addressable market for: Enterprise IT services, cloud services, telecom-managed services and managed security services forecasts by service type, geographic region and industry vertical.

SI strategies in IoT integration services – most SIs are betting big on IoT as they recalibrate their strategies. How will partner ecosystems change and what can vendors do to adapt?

Managed service providers get user vote of confidence
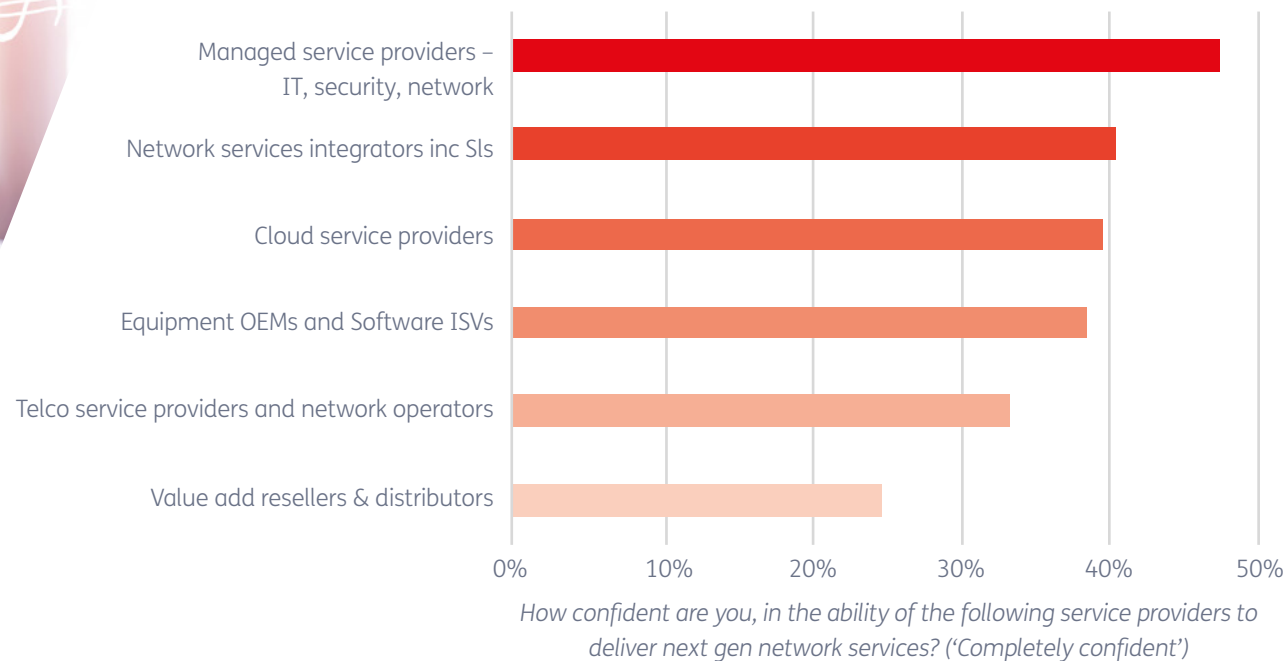
A managed service provider, with an end-to-end capability in networking, IT, applications software management, and service desk, is the user favorite to deliver agile IT services, as this chart from a European regional survey (100+ large enterprises in Germany, Austria, Switzerland) shows.

How confident are you, in the ability of the following service providers to deliver next gen network services? ('Completely confident')

SoHo & SME Services

The Market Challenge

For digital service providers, reaching the small business universe presents unique challenges. They often look like mass market customers, but they have more complex needs. Their technology requirements vary by industry, but their internal IT is often under-skilled or absent. They crave support, but don't have the customer lifetime value to justify a dedicated account manager.

Most irritating of all, these realities add up to a customer that – for now at least – usually won't self serve.

Cracking this profit conundrum demands the right channel mix, a value proposition calibrated to the right buyer persona, and a pitch with a light industry-specific veneer.

How Ovum helps you

Empower - identify compelling, profitable digital services which help smaller businesses to thrive.

Simplify – craft integrated propositions that overcome digital service providers' internal silos to address customers' validated needs.

Engage – determine the correct blend of physical and virtual channels to engage different buyer personas.

Support – help bridge the digital skills gap between small and large businesses and accelerate transformation.

Camille Mendler
Practice Leader

" Nine out of 10 SMEs believe digital services can improve their business – but half say they are digitally illiterate. "

Key Deliverables

SoHo and SMEs Insights – digital demand perspectives across developed and emerging economies.

Profiles and case studies – highlighting success and key learnings in addressing the small business universe.

Forecasts across major B2B services – consistent segmentation for SoHo and SMEs across core cloud, UC, and broadband services.

Rapid analysis – the implications of key market events.

Themes for 2019

Creating the Digital SME
Small businesses need to digitize in order to thrive in today's world. But how to choose and deploy the right blend of digital services is a challenge for buyers and sellers alike. Ovum continues to advise on the professional and managed services that SMEs need to invest in – such as cloud apps, collaboration tools and security – as well as who is best positioned to deliver them.

Engaging the Digital SME
Doing business in the digital world – being found and engaging and delighting customers – is a leading imperative for small businesses around the world. And they expect no different from their suppliers. Ovum's global experts provide multi-faceted guidance on B2B customer engagement: how to deliver the digital journeys that SMEs demand, and how to help SMEs become thriving digital actors.

Disruptive B2B ecosystems
There is a secret war for B2B budgets that few know is underway – and it's focused on smaller businesses. New B2B platform players are bypassing traditional technology sales structures and are redefining how to engage with smaller businesses, taking control over technology spending. Ovum can help suppliers understand how to play in the new B2B world order – and who is a friend or a foe.

Empowering the Entrepreneur
The small business universe continues to grow – and that's thanks to entrepreneurs. Whether solo players at home, startups in a coworking space, or other micro businesses, these organizations have unique needs which are too often overlooked. Ovum's multi-disciplinary team advises on the tools, techniques and partnerships that young businesses need to survive and thrive.

What's new

2018/19: SoHo and SME Insights Survey – investment plans, aspirations, challenges and digital behaviors of the world's smaller businesses.

Channel programs – identifying the right partner and comparing approaches to boosting productivity and loyalty.

Global B2B Demographics Tool – a Rosetta Stone to the global B2B universe designed to support targeting and opportunity sizing – will be upgraded with additional countries and estimates on the informal economy.

SME services must be 'snackable'

High priority

Limited scope

Rapid result

Transparent cost

Standardized delivery

Get in Touch

Want to learn more?
[Click here](#) to request a callback.