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Enterprise Services

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Evan Kirchheimer

Research Director

Enterprise Services

"Ever-more businesses are running existing and 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"

Advanced Digital Services

The Market Challenge

For years, cost management, network resilience, and security have been the overriding priorities in enterprise network investment. Variations on these themes have appeared as top three user priorities every year in Ovum's research. That focus has changed as the driver for enterprise IT investment has switched from operational criteria to business outcomes. Now, next-gen services such as cloud computing, mobility, and the digitization of business processes are setting the pace for business productivity. But how do enterprise buyers decide priorities for technology investment?

David Molony
Practice Leader

How Ovum helps you

Showing how enterprises can undertake to be agile, cloud-based, and increasingly automated as part of their digital business transformation.

Identifying new developments in enterprise digital services, and show where enterprises can get support for applications modernization and migration to cloud.

Growing digital connectedness makes multinational enterprises an appealing target for cybercriminals. We look at where enterprises can get help in managed security services like threat intelligence.

Transforming customer experience and place the customer at the heart of decisions about business process and new product/service development.

"More than 40% of large businesses have outsourced applications modernization in 2017/18 for core workloads, overtaking data center and end-user compute"

Key Deliverables

Ovum Decision Matrix – helping enterprises selecting a service provider partner for managed security.

IT services contracts analytics – weekly updated tool covering contracts signed by major service providers.

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

Forecasts for digital and cloud services – enterprise IT services and cloud services forecasts split by company size, country, and industry vertical; telco-managed ICT services forecasts by service type, to geographic region and industry vertical.

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

Themes for 2018

Application services modernization

Business applications modernization and agile process transformation go hand in hand when it comes to building the adaptive enterprise. We examine how global systems integrators and other service providers are changing the way they deliver and maintain offers in managed business applications, especially Oracle, SAP and Salesforce. At the same time, we evaluate the features of these applications vendors' own platform-based offers and assess whether they are competitive with service providers and SIs, or will require new forms of partnership.

Application of automation technologies

We examine how service providers are putting automation technologies to use where it matters. Their tools may be RDA, RPA, AI and cognitive techniques, chatbots and intelligent assistants, but what they use is less important than the proof points and use cases for improved services. We track and evaluate service providers' automation capabilities and their ability to serve customers with industry-specific requirements.

Successful service management

Service provider success depends on placing the customer at the heart of decisions about business process and new product/service development. In this stream we examine how service providers are building out infrastructure and services to support the business customer throughout their digital transformation.

Securing the hybrid organization

Cyber-attacks have sent many enterprises into disaster recovery mode, and are a particular concern in C-suites. In this stream we describe service provider efforts to combat malware and data theft by deploying advanced cybersecurity analytics and threat intelligence as part of a managed security services portfolio that includes security operations centers (SOCs) for central monitoring and customer relationship management to support response teams, process compliance management, and conduct real-time risk analysis across the business.

Analyzing global services contracts

We track the evolution of ICT managed services as these expand to include applications services and performance management, and cloud-based service delivery. Ovum maintains an IT services contracts database (ITSCA) as well as uniquely monitoring global services deals from telcos. Together, these provide the most comprehensive picture of the changing shape of the deal in enterprise managed services, in region and globally.

What's new

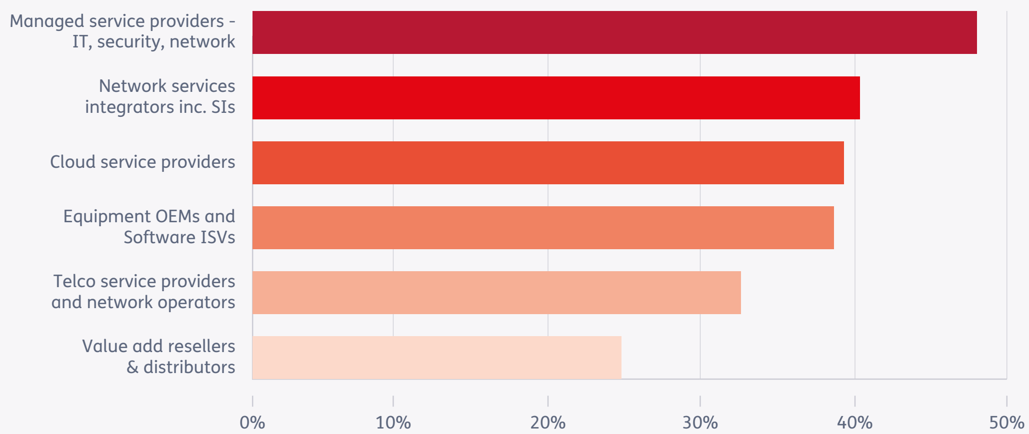
Cloud innovation services out of Asia-Pac – extending our case studies to examine the overall market impact of new cloud services

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 a vendor do to adapt?

Digital platforms – tracking the emergence of digital platform-based service models

The convergence of provider types – changing partnership and competitive models between telcos, systems integrators, and webscale players

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 2017 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')

The Market Challenge

Network and cloud combined let enterprises bond together local and remote IT resources. But providers' big and bold top-down attempts to force cloud and network together so far have 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, and provide services that secure, remove complexity and lower costs for enterprises' highly complex heterogeneous IT environments.

Brian Washburn
Practice Leader

> Together, both increased adoption of public cloud services and the need to drive more insight out of enterprise and customer data using analytics are identified by over 50% of enterprises as key drivers of further network investment

How Ovum helps you

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

Determine the customer requirement for evolving network services and invest accordingly.

Identify the partners required to deliver a transformational network service.

Compare the managed services strategies of leading cloud service providers.

Explore enterprise decision-maker managed and hybrid requirements.

Key Deliverables

Network Service Provider Update – track the emergence of transformational network services from leading providers

Cloud Service Provider Update – 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 segment

Cloud and Network CIO 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

Themes for 2018

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 and other resources on-demand. We focus on the provider models and enterprise services that justify investment, while keeping in focus the counter-strategies of commodity services.

Security and resilience to protect enterprise assets
Enterprise customers have grown more confident in the security and resilience of public cloud platforms. The challenges we cover include how to architect secure enterprise-class solutions for those platforms; how enterprises integrate those elements within their wider IT estate; and how they maintain and manage security of IT assets in an environment where perimeters are no longer fixed.

Innovative Commercial and Operational Service Models
Enterprises demand simplified ways of buying, operating and managing their cloud and network resources. We follow the best practices adopted by service providers to streamline their operations, identify and engage customer leads, partner strategically to deliver against customer needs, and provide high-quality support.

Successful Service Models for Virtualization
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.

End-to-end Transaction Performances
Enterprise buyers have been increasingly interested in turnkey services, driven by the applications platform. We assess best practices of service providers aiming to deliver end-to-end transaction performance for applications, workloads and micro-services.

What’s new

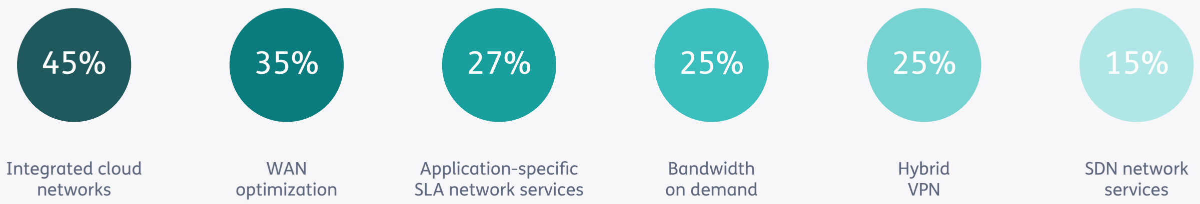
Increased coverage of transformational network services (SD-WAN)

Enhanced focus on network and cloud services management

Improved insight into service provider evolving commercial models

Will any of the following network services be more important to your organization?

(Top 6 below; respondents picked top 2)



High levels of public cloud adoption will lead to increased adoption of converged network/cloud services, such as those enabled by Amazon Direct Connect or Azure Cloud Connector.

Workspace Services

The Market Challenge

Enterprises looking to transform business processes typically want to improve employee productivity, enhance customer service and reduce costs. The introduction of new workplace technology and services goes hand-in-hand with new ways of working. Businesses are looking for service providers that can help them make this difficult and complex transition.

Service providers are building on their traditional enterprise mobility, UC&C, workspace virtualization and managed security capabilities. They need to build their capabilities beyond these services into new areas of technology and into a professional services-led approach if they are to be successful partners for enterprises. It is an increasingly complex play.

Pauline Trotter
Practice Leader

How Ovum helps you

Ovum's research will help service providers build their workspace services offers and help enterprises select service provider partners that meet their needs.

Identify the growth markets for workspaces – size the market opportunity and identify which verticals and geographies will be key.

Build the portfolio – the important technologies and services identified through our research with enterprises.

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

> “North America will remain the top market for uc services, valued at $12bn by 2021”

Key Deliverables

Ovum Decision Matrix – aimed at enterprises selecting a service provider partner for workspace services.

Enterprise CIO surveys – covering both large enterprises and SMEs in multiple geographies and industries.

Forecasts for enterprise communication services – enterprise mobility and unified communications and collaboration forecasts split by company size, country, and industry vertical.

Case studies – real enterprise experience in evaluating, selecting, implementing, and measuring benefits from advanced communications services.

Tracker – workspace services tracker keeps you up to date on market events, new services, partnerships an deals.

Service Provider strategy updates – provide insight and analysis on new workspace services and new business models for of the top providers.

Themes for 2018

Evolution of mobile workspace services

Service providers have been evolving their mobile workspace offers to incorporate UC&C services, workspace virtualization, adding managed security, service delivery and end user support. As this market evolves, we expect service providers (including telcos, SIs, ITSPs and specialist managed service providers) to focus on-helping enterprises deliver on their mobile workspace strategies. This includes building up their professional services skills, integrating new technologies, applications and tools into their services and bringing in new types of partner.

Workspace services for SMEs get more sophisticated

Service providers have traditionally served their SME customers with unsophisticated communications services. Many are now focusing strongly on the SME opportunity and are building richer services, adding messaging, collaboration, conferencing and other functionality to voice. We expect offers to mature further as SMEs, like their larger counterparts, look to improve their competitiveness through the introduction of new technology. This will meet the demands of a younger workforce looking for more flexible and mobile ways of working.

Enterprise priorities in workspace services

As enterprises worldwide continue to act on their digital transformation strategies we anticipate continued investment in services and technologies to support employees with new flexible and mobile ways of working. Many companies are interested in what place new technologies – such as workplace IoT, mixed reality, machine learning and automation – can have within their organisations in driving innovation, greater productivity, and improved customer service.

Evolution of enterprise communications

How businesses consume communications services and deploy communications technology will considerably over coming years. Solutions dedicated to communications and collaboration will continue to be sold to businesses. But more and more communications will be embedded into a diverse set of software. For example, CPaaS will integrate communications into business apps, IoT will trigger communications events based on alerts, and natural language interfaces will provide news ways for employees and customers interface with collaboration apps.

Mobilizing the workforce
Technology evolutions 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 are evolving, offering new capabilities such as cognitive analytics, identity management and single-sign on, unified endpoint management features, and advanced group policy management functionality. These advancements will support enterprises in more effectively managing a more diverse device, OS, and data estate.

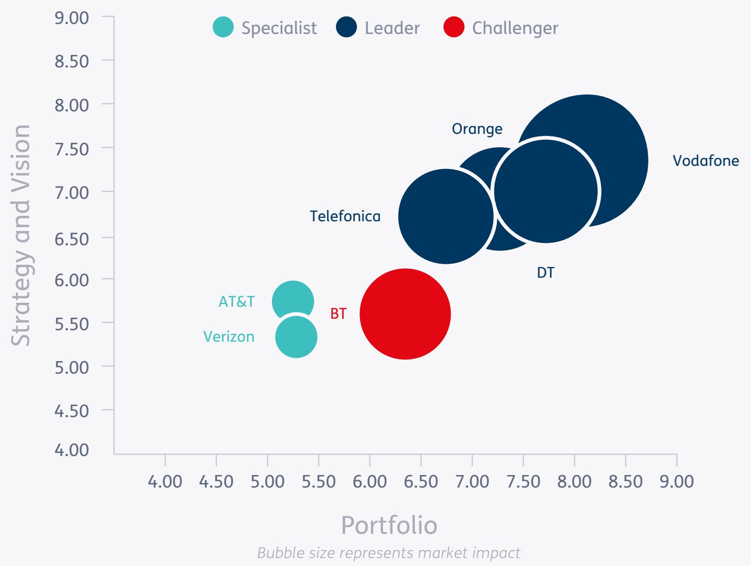
What's new

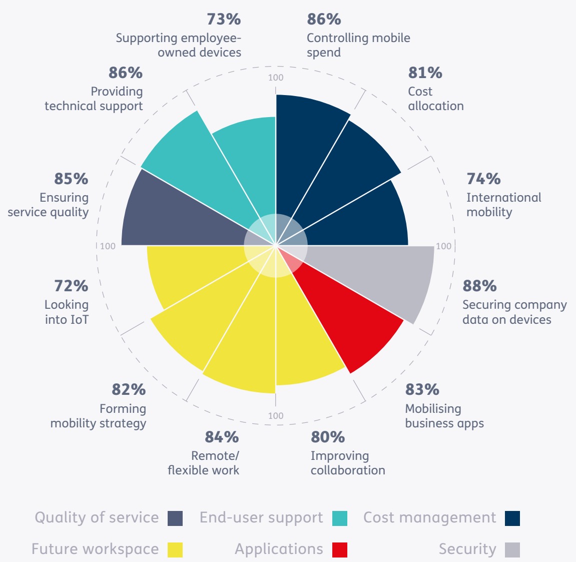
The place of new technologies in the workplace – extended coverage into new areas

Service provider strategy updates – case studies of new services and business models from service providers

Whole market view – the enterprise workspace market in the context of the whole market

New provider types – coverage of new entrants and SI competitors





SoHo & SME Services

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The Market Challenge

For digital service providers, reaching the small business universe presents unique challenges: they often look like mass market customers, but 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, these realities add up to a customer that – for now at least – won't usually 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.

Camile Mendler
Practice Leader

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

How Ovum helps you

Empower – identify compelling, profitable digital services that help smaller businesses 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.

Key Deliverables

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

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

Telecom Cloud Monitor – tracking key cloud-related activities among 400 CSPs around the world.

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

Rapid analysis – the implications of key market happenings.

Themes for 2018

Virtualizing the SME

Small businesses are increasingly dependent on the capex light, as-a-service model. But deploying the right blend of digital services remains a challenge for buyers and sellers alike. Ovum continues to deliver pragmatic guidance which match service bundles – such as cloud apps, collaboration tools, security, SD WAN, etc – to the right customer through ongoing end-user research and supply side analysis.

Superfast SMEs

New superfast services based on G.Fast, FTTP, dark fiber unbundling – and not least 5G – should transform small businesses productivity. Through end-user research and market benchmarking, Ovum will help service providers develop compelling value propositions that go beyond high speed and low prices in order to capture attention and loyalty.

Architecting the B2B channel

Sales through partner channels are rising, but so is competition to sign up the best partner. Service providers must identify the best fit of partner to complement their portfolio and deliver the client intimacy that small businesses demand. Not least, they must also develop value propositions, tools and systems to make their channels loyal and productive. Ovum assesses partners and partner programs focusing on the small business universe.

Digital engagement with small businesses

Nine out of 10 service providers identify delivering a personalized customer experience as a top business challenge. Extending this aim to the small business segment – a difficult hybrid of consumer and business needs – presents special problems. Ovum can guide on best practice based on end-user research and case studies addressing key themes in digital engagement, online reputation building and self service.

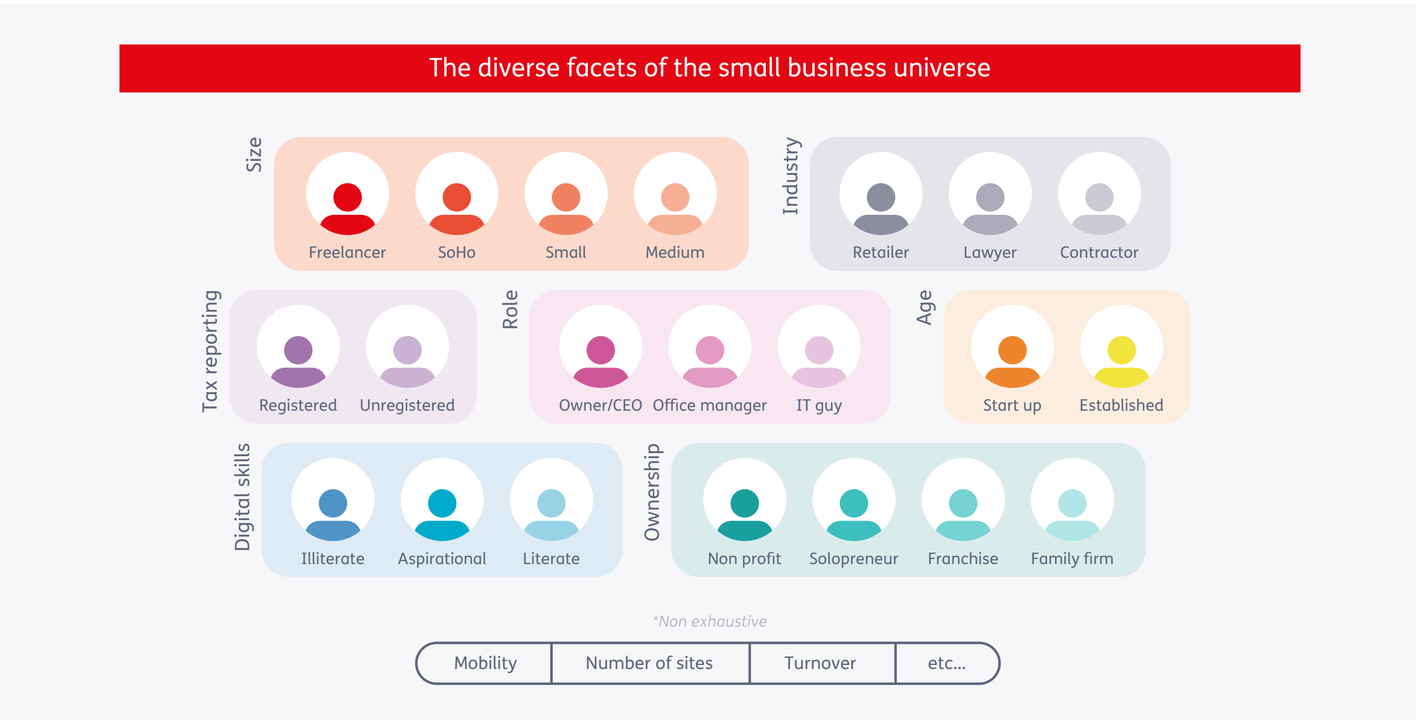
Monetizing the informal economy

The informal economy of traders, craftsmen and other unconventional entrepreneurs is a potentially vast opportunity for service providers in emerging markets. Based on field research and benchmarking, Ovum offers practical approaches to mining this shadowy segment.

What’s new

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

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



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The Market Challenge

The fundamental challenge for any enterprise is to meet the expectations of its customers, patients, citizens or students. This perennial challenge is getting harder, as customers, empowered by technology and digital experiences demand more. Enterprises which fail to meet this challenge run the risk of irrelevancy.

To keep pace with technology and meet customers' expectations, enterprises must continuously evolve their approach to service delivery. They must build an agile architecture that allows them to quickly scale, enables frictionless experiences across all channels and devices, and be able to respond in real time to customers when and where they need assistance. No enterprise can afford to be a customer service follower, and to remain relevant should strive to engage with the customer proactively, not reactively.

Tom Pringle
Head of Applications Research

How Ovum helps you

Understand – and act on the challenge of moving beyond omnichannel to maintain relevancy in the digital age.

Learn – about continuous innovation and the culture required to support it to deliver on customers' expectations.

Explore – and plan for a customer-centric architecture that composes unique customer experiences without compromising standards.

Identify – and evaluate practices and technologies for keeping up with constantly evolving customer behaviors.

Understand – enabling technologies and vendors which can help enterprises orchestrate customer engagement across any combination of channels.

> "90% Of enterprises are failing to create and deliver new digital services yet top line growth is the number one business challenge"

Key Deliverables

How to building the omnichannel foundation – analysis and guidance on developing the omnichannel foundation

How to create the conditions for rapid adaptation – through innovation in products, services and business models

The role of ecosystems in continuous innovation – how to develop an effective ecosystem of partners for continuous innovation

Leadership roles in digital transformation – who should help the CEO transform the enterprise?

Themes for 2018

Building an omnichannel platform foundation for customer engagement
Enterprises must proactively engage with customers along their digital and physical journeys at the right time, place, and device. This can be achieved with the building blocks of an omnichannel foundation; including integrating modern CRM platforms with back office, logistics and systems of engagement, and deploying technologies to enhance in-context collaboration and create personalized experiences. With this foundation in place, omnichannel can be augmented with supporting technologies from Robotic Process Automation to eliminate repetitive tasks and integration of AI and machine learning to dynamically orchestrate the customer experience, through Virtual Assistants to support intelligent customer self service.

Developing a customer-centric culture for the adaptive enterprise
Enabling omnichannel must begin by developing a cultural and organizational orientation around the voice of the customer before architecting the customer journey. For a customer-first enterprise to take hold, enterprises must align people, processes, and technologies via the vehicle of digital transformation, to deliver proactive customer engagement. Customer-first thinking must be infused into every aspect of the organization, standards and policies must deliver on CX, and culture must link to the mission. Unification and open access of technologies must occur through unified interfaces, customer engagement hubs, and cloud-based workforce management so the customer journey is always in view.

Designing a flexible, scalable architecture for composing personalized customer experiences
Changes in the fundamental structure of customer engagement – hardware to software, on-premises to cloud, live-agent assistance to artificial intelligence-powered chat bots, analytics, and mobile everything – is driving change in the architecture and processes of customer engagement. Global reach and scale is a necessity as customers expect standardization across international organizations: they also expect a tailored experience. To achieve this requires a flexible architecture, built upon a concert of services which allow for constant technology evolution, and the delivery of a market, geographic, and enterprise-specific “composable” personalized experience in real-time –

while adhering to the framework of corporate standards and compliance requirements.

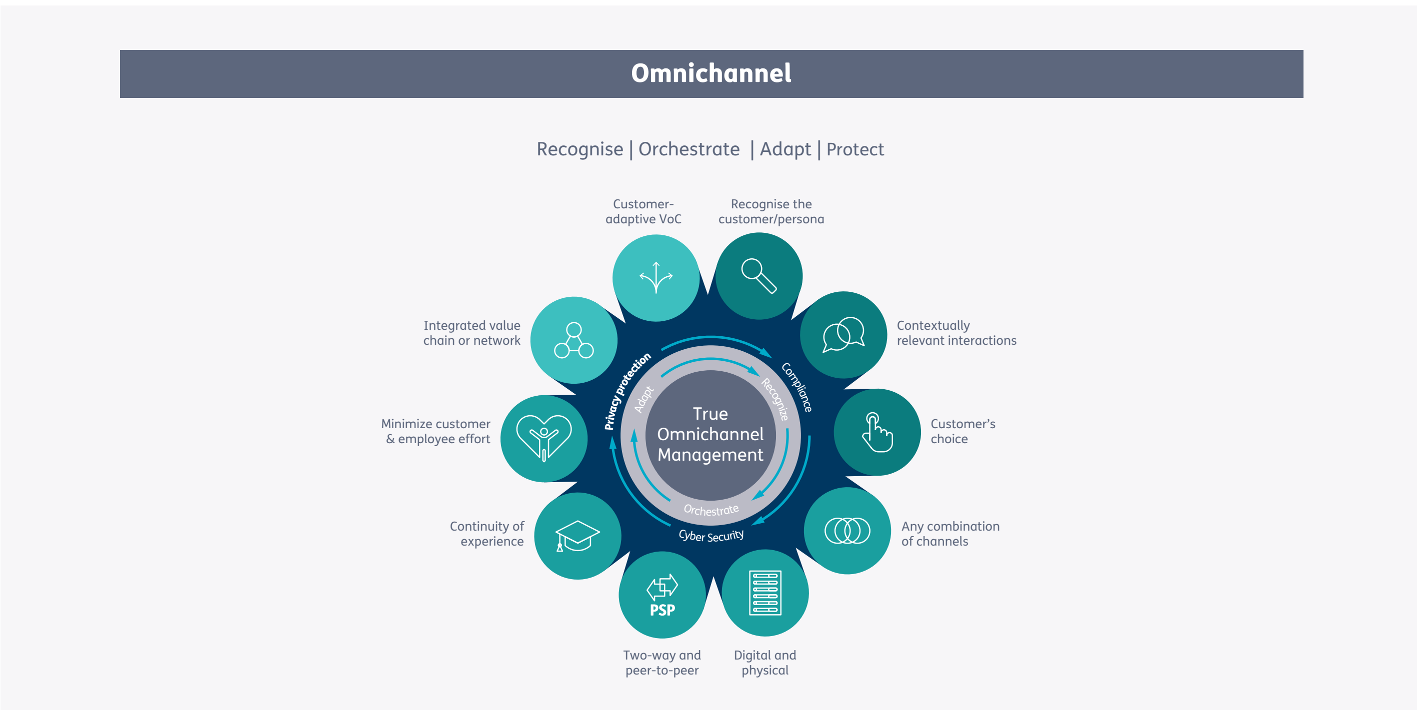
Customer engagement solutions must prioritize superior security and privacy to build customer trust
Whether through accident or malfeasance, sensitive data can be exposed through holes in the expanding digital marketplace, with potentially great harm to customer and enterprise alike. Enterprises must ensure compliance with regulation regarding customers' identifying data, such as GDPR, and respect privacy choices. Taking this approach will realize the benefits of being a trusted brand. Technological answers for enterprises need to cover considerable ground, from applying big data analytics and machine learning to fraud detection, through implementing unified privacy standards across multiple databases, applications and a growing device landscape encompassing the IoT.

What's new

Understand how CX microservices can be consumed to adapt and augment omnichannel customer engagement

Consider Robotic Process Automation and how it can be used to boost customer engagement capabilities and improve the working environment for employees

Explore the possibilities to harness a portfolio of feedback mechanisms to drive customer relevance and rapid adaptation



About Ovum

Ovum is a market-leading research and consulting firm focused on helping digital service providers and their technology partners thrive in the connected digital economy.

Through our 150 analysts and consultants worldwide, we offer expert analysis and strategic insight across the telecoms, media and technology industries. Founded in 1985, Ovum has one of the most experienced analyst teams in the industry and is a respected source of guidance for business leaders, CIOs, vendors, service providers, and regulators looking for comprehensive, accurate, and insightful market data, research, and consulting.

With 23 locations across six continents, Ovum offers a truly global perspective and works with organizations on every continent. We can also help you create business advantage by supporting your business planning, product development and go-to-market initiatives.

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