ServiceNow focuses on supporting enterprise transformation one digital workflow at a time
Ovum view

Summary

Service management is the glue that holds any digital transformation together. According to Ovum’s ICT Enterprise Insights 2018–19, digital transformation will drive in excess of 70% of enterprises to increase ICT budgets in 2019. The same Ovum survey found that on average, 30% of respondents are in progress with their digital transformation, 23% are just starting the journey, and fewer than 14% have completed it. This means that over the next few years, as more organizations mature in their digital transformation journey, there will be more questions about how to integrate existing and new process.

ServiceNow has rebranded and refocused itself on “making the world of work, work better for people”, which involves helping with the difficult transformations that organizations now need to adopt.

ServiceNow is entering the next phase of its strategic growth plan

ServiceNow has made some significant changes to its business over the past 18 months. Having its founder, Fred Luddy, back as the chairman of the board is a positive move. ServiceNow has grown rapidly and wants to ensure that its core founding principles will support its next phase of growth in the market. The rebranding is not just a veneer of marketing gloss on the company. Instead, it is a root-and-branch change introducing a core purpose for the first time. The redesigned logo (losing the power button from the “o” in its name and replacing it with a person) is an example of how the company is changing the narrative.

Another example of its shift in focus can be found in the Chief Human Resources Officer (CHRO) survey commissioned by ServiceNow. The key findings were that the most successful companies are moving from technology being used as a foundation for digital transformation to the use of technology to drive employee experience and help accelerate cultural transformation. One of the key findings was that 83% of CHROs say that employee experience is critical to the organization’s success. This explains why ServiceNow has shifted its focus and believes that making the activity of work a better experience will drive its growth plans. Ovum believes that this a brave and correct move. Brave because the market has not recognized this shift yet and to some CIOs and CEOs it will not resonate, and correct because this is the direction of travel and how organizations will be able to deliver business value in a digital economy.

One of the key messages to support this vision is that artificial intelligence (AI) and machine learning are becoming embedded into the solutions from ServiceNow’s Now Platform. The clear intention is to reduce the management burden and simplify process management. The most obvious example of the use of AI is the virtual agent (VA) capability in the Now Platform. VAs are chatbots that work with any application and understand the context of the enquiry so it can be answered or transferred to the most relevant knowledge article or agent. ServiceNow believes that many calls will be answered by the VA without the need to pass on the request to a human service desk agent. If, however, a request is passed to a service desk agent, all the conversation and information will be available, improving the
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experience for both customer and employee. This capability is available in the ServiceNow London release that is generally available as of the third quarter 2018.

Delivering on ServiceNow’s purpose to make the world of work work better, the ServiceNow London release also introduced (in limited release) the Agent Workspace (AW) for employees that use ServiceNow as a fulfiller. AW uses AI to help service desk agents organize and manage their queues, identifying and prioritizing the most critical tasks. Workspace will also simplify the management of the different cases/incidents so an agent does not need to spend time jumping between windows and searching for information that will now be served up to the employee based on keywords used in the initial request. Allowing agents to focus on the tasks with relevant information and context will not only save time and enhance productivity, but will also improve the agent’s and the employee’s experiences.

ServiceNow Enterprise DevOps is an on-ramp for customers to change their processes and procedures

ServiceNow also announced an Enterprise DevOps product in the ServiceNow London release. The initial solution from ServiceNow is the first step in the interpretation of the DevOps process, covering the core plan, develop, build, test, deploy, and monitor phases. It also introduces the agile planning part of the process, and the Madrid release will extend this with more capabilities. Ovum believes that while the Enterprise DevOps solution is just the first step compared to more mature DevOps solutions, it will enable organizations to begin the journey to transform how the IT organization will be structured. This “to be” state of the IT organization will be based on a product-centric approach, where small self-determining teams operate independently under a loose management framework. These teams, which operate like cells in biology, can combine to form larger product teams so that even large and complex projects can be delivered and managed in an agile manner. One of the key differences required in this new agile IT department is the skills move from a planning approach to a more delivery- and outcome-based approach. Furthermore, many more of the IT roles will be business-focused or business outcome-driven, and will require the workforce to operate in a more collaborative style.

ServiceNow’s vision, purpose, and new capabilities will help IT organizations and the entire enterprise to achieve digital transformation and start to bring employees closer to the experiences as consumers.

Appendix

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Ovum Consulting

We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Ovum’s consulting team may be able to help you. For more information about Ovum’s consulting capabilities, please contact us directly at consulting@ovum.com.

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