IT services company grows MSP business with ServiceNow

Business
IT Services

Geography
Global

Challenges
Inefficient delivery of services to their customers using legacy IT management tools

Solutions
- The Now Platform®
- ServiceNow® IT Service Management
- ServiceNow® IT Operations Management

Results
- Cost reduction
- Quick onboarding of customers
- Increased margins

Uses AI and automation to reduce service management costs by 30%

With approximately $1 billion in annual revenues, this IT services company provides a comprehensive set of managed services, along with infrastructure and application outsourcing. In the past, it delivered these services using a large number of legacy IT management tools, but it needed an integrated MSP platform when it saw a significant increase in market opportunities.

According to the company's chief architect, "More and more enterprises were struggling to manage their infrastructure. Our account teams wanted to solve the problem by offering a fully outsourced service management layer based on standard ITIL best practices. By developing a high-performance shared management platform fueled by artificial intelligence and automation, we could dramatically lower our customers' costs and grow our business."

Why the company chose ServiceNow

To build its MSP platform, the company started by defining the business capabilities it needed. It then looked to the market for available technologies. The chief architect says, "Once we had our requirements defined, we issued an RFP. We wanted a scalable ITSM and ITOM platform that we could easily integrate with our other systems. The cloud was also critical—to onboard customers quickly and economically, we couldn't afford the cost and effort of building and maintaining additional data center infrastructure every time."

"Our original assumption was that we would have to assemble the platform by integrating a lot of piece parts. That's exactly what we found with many vendors. In fact, one vendor needed 27 separate products to deliver the functionality we needed. However, ServiceNow was different. It was by far the simplest and most integrated solution—giving us the core of our MSP platform. And, ServiceNow was born in the cloud. That's why we chose it."

Outsourcing with ServiceNow reduces costs by 30%

Now, the company's new MSP platform combines the power of ServiceNow® IT Service Management and ServiceNow® IT Operations Management with artificial intelligence and advanced analytics to dramatically reduce its customers' operational costs.

"With our platform, we can walk in and offer a 30% reduction in service management costs out of the gate. And, we've also increased our margins, so it's a real win-win. And, because the solution is cloud-based, we deliver much faster time to value—we can onboard customers right away, rather than having to set up all of the management infrastructure," explains the chief architect.

How does ServiceNow lower customer costs and increase MSP margins?

"Our MSP platform is built around five pillars—monitoring, event correlation, ITIL service management, analytics, and automation. We offer both infrastructure management and service desk outsourcing for our customers, so these five pillars provide a complete solution. We leverage our customers' existing monitoring systems, but everything else is included in the platform," says the chief architect.

Automation and artificial intelligence lie at the heart of the MSP platform's success. According to the chief architect, "ServiceNow's event correlation dramatically reduces monitoring noise, so we get actionable information that helps us to rapidly diagnose and resolve service issues. However, that's only the start. When an incident occurs, our AI engine learns what our engineers do to resolve the issue. Over time, AI starts to identify and handle similar incidents automatically. We also apply advanced analytics to identify high-volume incidents and then use ServiceNow to automate corresponding remedial actions."

35% reduction in MTTR

The chief architect continues, "By combining this knowledge with context from the ServiceNow® CMDB, we resolve a large proportion of common incidents without any human intervention. That drives down costs dramatically and accelerates MTTR. In fact, our MTTR has gone down by 35% because we automatically fix run-rate incidents right away and free up resources to give complex issues the attention they deserve. And, because we have a multi-tenant cloud platform, when we automate something from one customer, we can leverage this across all our customers. That's another way that ServiceNow helps us to increase our margins and scale our business."

Self-service delivers a better customer experience at a lower cost

The chief architect also talks about the benefits of self-service. "We give each customer their own ServiceNow portal. Self-service delivers a far better customer experience and lowers support costs. We also automate the logic behind high-volume service catalog items. This zero-touch fulfillment accelerates service delivery and reduces costs even further."

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When we tell our customers that we use ServiceNow for our MSP platform, we build trust. Because of its reputation and recognition, ServiceNow makes it much easier to convince customers to choose us. That's critical in our highly competitive market.

– Chief Architect, IT Services Company

Over $200 million in contracts

Since launching its new MSP platform three years ago, the company has dramatically grown its MSP business. According to the chief architect, "We came at this with a startup mentality. Since then, we've grown to deliver hundreds of millions in contracts on the platform—and we're continuing to see massive growth. At any given time, we're typically onboarding two additional customers—and a customer can mean as many as 1,500 staff on our side. Overall, we're managing about 30,000 servers in more than a dozen countries, and we have more than 100,000 of our customers' end users on the self-service portal."

ServiceNow builds customer confidence

Finally, the chief architect points to another benefit of ServiceNow—customer confidence. "When we tell our customers that we use ServiceNow for our MSP platform, we build trust. Because of its reputation and recognition, ServiceNow makes it much easier to convince customers to choose us. That's critical in our highly competitive market."

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