AN INDUSTRY IN TRANSITION

Global outsourcing demand is growing rapidly, and managed service providers are racing to keep up. In fact, the global IT outsourcing market alone is poised to grow by more than $98 billion between 2020-2024, according to Infinity Research Limited. And that’s just part of the story.
Today’s solutions are disruptive. The Deloitte 2018 Global Outsourcing Survey reported that emerging technologies, like cloud computing and automation, are pushing past the boundaries of traditional product offerings.

Enterprise customers aren’t just asking service providers to deliver outputs—they want outcomes. Beyond leading-edge IT goods and services, they want a trusted advisor, consultant, and true strategic partner to power innovation and help them accelerate their digital transformation.

On top of that, the “new normal” following the COVID-19 pandemic will only expedite digital priorities. Service providers will likely see increasing demand for cloud-based services and other business-critical tools, and they will need to answer that demand in a way that is profitable, sustainable, and scalable.
THE CHALLENGE

Digital transformation opens up opportunities for modern service providers, but it also comes with major obstacles:

- Budget optimization
- Rising customer expectations
- Security and compliance risks
- Increased competition
Budget optimization
Keeping up with customer demand requires service providers to quickly invest in new and modern technologies. But the level of effort to create new offerings and onboard each new client hinders scalability and time to revenue. Additionally, selling and managing a broader menu of cloud-based solutions often requires employees to have further training, specialization, and certifications—all of which can be time-consuming and costly.

“By 2024, more than 50% of cloud deals will include app development and managed services, up from 10% in 2019.”

(Source: Gartner, “Digital business infrastructure operations will significantly outpace traditional infrastructure managed services”)
Rising customer expectations
Delivering traditional IT goods and services is no longer enough. Today’s customers want strategic partners who will help them achieve enterprise growth objectives, ensure smooth business operations, and enable amazing customer experiences—all while managing a diverse set of IT assets. Service providers are also expected to lead innovation and are increasingly vital to cloud, DevOps, and security transformation initiatives.

Security and compliance risks
The barrage of security regulations and governance guidelines continues to grow. At the same time, major cloud providers release new innovations almost daily. With this constant swirl of information, it’s daunting to keep up—especially in multi-cloud environments. There’s also the reality that cybercriminals are more sophisticated than ever. According to the Ponemon Institute, 48% of organizations reported a data breach in the past two years—putting even more pressure on service providers to repel threats, remediate vulnerabilities, and deliver data protection that meets the most stringent security requirements.
The Challenge

- Budget optimization
- Rising customer expectations
- Security and compliance risks
- Increased competition

Increased competition

As the definition of “managed service provider” expands, the market is becoming saturated and commoditization is becoming a concern. Today’s competitors come in all forms—ranging from small independent organizations to telcos, global systems integrators, and giant IT consulting firms. It’s getting harder to stand out and get noticed, especially when competitors are offering similar solutions at lower prices.

Outsourcing can enable a competitive advantage. 84% of global executives surveyed have initiated discussions, conducted pilots, or implemented at least some disruptive outsourcing solutions.

(Source: Deloitte, "2018 Global Outsourcing Survey")
THE OPPORTUNITY

Despite its challenges, digital transformation is here and necessary to remain competitive. Service providers who act quickly to harness these opportunities will win in the short term and prosper over the long term.

- Co-innovation
- Time to revenue
- Customer experience
- Risk mitigation
The Opportunity

Co-innovation

With customers looking for disruptive solutions, now is the perfect time to position your organization as a partner in bringing innovative ideas to life. Working side-by-side with customers using advanced analytics and rapid prototyping will empower you to create value, unlock productivity, and drive innovation together.

Time to revenue

Standardizing product and service offerings can reduce implementation time and make onboarding customers faster and more efficient. When you streamline processes and automate routine tasks using digital workflows, you not only speed time to revenue, you allow your employees to focus on higher value work.

There’s been a significant increase in organizations exploiting marketplace innovation to drive business value. Many are moving additional services to providers as they innovate, making innovation a key component of the contract, and increasing provider compensation as they innovate.

(Source: Deloitte, “2018 Global Outsourcing Survey”)

Learn More
Customer experience

Today’s technology trends are tomorrow’s customer expectations. From chatbots to predictive service, digital transformation is changing the face of every customer interaction. Creating a seamless customer experience from issue to resolution will go a long way to drive loyalty in a saturated market. Winners in the service provider space will help customers break down silos, streamline processes, and serve their customers seamlessly.

Risk mitigation

Create a predictive, unified data environment with automated security orchestration—one where the frontline operates from a single platform with easy access to insights and tasks via chat, mobile apps, and portals. This environment not only improves the speed and efficiency of your security response, it also allows you to prioritize and respond to compliance and security threats quickly.

“Achieving the right mix of customer experience improvements, financial outcomes, and future-proofing customer service is no easy feat—but leaders can reap the rewards.”

(Source: Corinium Global Intelligence, “The Customer Experience Perspective”)
TAKING ACTION

What can you start today to get the most out of global outsourcing trends? Here are three strategies you can act on now.

- Boost your competitiveness with digital workflows
- Elevate the customer experience
- Accelerate cloud transformation
Boost your organization’s competitiveness with digital workflows

Investing in automation is an investment in your company’s financial future. Now is the time to build a connected and sustainable workplace by modernizing and consolidating on-premise and cloud toolchains.

Use artificial intelligence, self-service, and digital workflows to automate routine tasks, driving better efficiencies and freeing up employee time for higher impact activity. Streamlining processes and reducing overall implementation time positions you to bring new offerings to market faster—speeding time to revenue, while minimizing cost and optimizing budget.
Elevate the customer experience

Don’t settle for average. Equip your organization to deliver amazing customer experiences on an intuitive interface that enables them to get answers anytime, anywhere, on any device.

When you implement the ServiceNow platform, you’ll make it easier for your customers to onboard your services. And tools like advanced automation, chatbots, and self-service will put them in the driver’s seat at every step. Create a personalized and productive journey for your customers by tailoring apps and workflows specific to their needs.

The way forward can be guided by people’s expectations, but there is no one roadmap. Success will rest on companies’ ability to elevate the human experience.

(Source: Accenture, “Technology Vision 2020 – We, the post-digital people”)
Accelerate cloud transformation

Getting your customers to the cloud is a big opportunity, and it comes with big expectations. You don’t need to go it alone: ServiceNow can help you deliver even more value to customers as you accelerate their cloud journey.

We offer an agile, customizable core platform on which you can quickly build out your infrastructure as a service (IaaS), platform as a service (PaaS), and software as a service (SaaS) portfolios. We also equip service providers to offer “managed” ServiceNow as an SaaS and PaaS offering as a way to accelerate your customers’ cloud transformation while deepening your relationship.

ServiceNow helps accelerate cloud transformation for your customers with governance and security.
WHAT DOES SUCCESS LOOK LIKE?

Case studies

› Atos
› Avanade
› DXC Technology
Atos

**Company:** Based in France, Atos is a leading international IT services company and Europe’s number one digital services provider, with 110,000 employees in 73 countries.

**The Challenge:** With demand for digital transformation surging, Atos wanted to deliver innovative and compliant digital solutions to their customers faster, in a profitable and sustainable way.

**The Solution:** Atos embedded the Now Platform® into their managed service offerings, eventually building a global alliance with ServiceNow.

**The Result:** Atos quickly launched multiple cloud offerings and enhanced their customers’ onboarding, self-service, and infrastructure as code (IaC) experiences and governance with hybrid and public cloud. Atos achieved a 9.6 CSAT score in 2019 and, today, has more than 400 dedicated ServiceNow experts totaling over 1,100 certifications.
Avanade

Company: Avanade, a U.S.-based subsidiary of Accenture, is a leading global professional services company employing more than 30,000 people worldwide.

The Challenge: Avanade needed effective and efficient processes to meet its internal and clients' regulatory requirements. They wanted to address issues with Archer tool implementation, increase efficiency, respond faster to risks, improve scalability, and integrate disconnected governance, risk, and compliance (GRC) processes.

The Solution: Connect and automate GRC and security processes with ServiceNow®, increasing GRC visibility and responsiveness while reducing GRC workload.

The Result: Governance, risk, and compliance are now connected processes. And with security incidents and exceptions tied together, it's easier to identify gaps in the security exceptions process—cutting incident resolution time from days to hours to even minutes. Scalability also improved: Since initiating the ServiceNow® Policy and Compliance module, Avanade has implemented 63 policies and mapped 93 authority documents, which represents 1,348 controls.

"ServiceNow gives us a robust platform where we can take in large amounts of information, rather than having to join up data manually. That's critical when you only have a small support staff."
—Greg Petersen, Director, Security Technology and Operations, Avanade
DXC Technology

Company: DXC Technology, based in the U.S., is the world’s leading independent, end-to-end IT services provider with 100,000+ employees globally.

The Challenge: Following a significant merger, DXC was faced with diverse regional processes and multiple legacy HR delivery systems, as well as existing antiquated HR systems.

The Solution: Using ServiceNow’s HR Service Delivery product, DXC replaced siloed legacy systems and created a unified service center where employees can submit cases and requests, search articles, and chat with HR agents.

The Result: DXC went live with ServiceNow HR Delivery in a record time of just 17 weeks, extending the solution to their entire employee base worldwide in an additional 14 weeks. With the rapid rollout, the company retired its legacy HR support systems and recognized significant further cost reductions, saving twice its annual system support costs. Additionally, DXC now has the HR visibility necessary to drive continuous service improvement and increase employee satisfaction. Since the implementation, employee CSAT scores have improved significantly and continue to rise.

READ MORE
GET STARTED

About ServiceNow

ServiceNow empowers service providers to lead with digital transformation and deliver even more value to their business and customers. Providers can adapt the solution to their specific needs, whether that’s using the platform internally, embedding it in managed service offerings, or selling ServiceNow to enterprise customers and managing it for them.

› For more information, visit: www.servicenow.com

Additional Resources

Industry brief: Driving profitable digital transformation for service providers
Solution overviews: Service providers