

VENDOR SELECTION MATRIX™ IT AND ENTERPRISE SERVICE MANAGEMENT SAAS AND SOFTWARE

**ABRIDGED VERSION WITHOUT
VENDOR SCORES AND
SCORECARDS**

THE TOP GLOBAL VENDORS 2020

Research In Action

March 2020



FOREWORD

The Vendor Selection Matrix™ is a primarily survey-based methodology for comparative vendor evaluation where 60% of the evaluation is based on a survey of enterprise IT or business decision makers. This is balanced by analyst subject matter experts with input fed by a combination of intensive interviews with software or services vendors and their clients, plus the informed, independent points-of-view - all of which combine to make Research in Action Vendor Selection Matrix™ reports so unique. For this report we interviewed 1,500 IT managers with budget responsibility in enterprises globally. We selected those vendors which achieved the best evaluations scores from the buyers but disregarded the ones with fewer than 15 evaluations.

While some vendors have made acquisitions to expand their growth and to accelerate the adoption of new technologies such as Artificial Intelligence, other vendors have continued their organic extension into the automation and optimization of services outside of IT – namely into the enterprise or business teams. As enterprises realize that service excellence within reflects positively on the ability for its teams to serve customers, the demand towards enterprise service management has fueled the market growth at all global IT and ESM vendors. The IT and ESM markets are growing at 20% with some vendors right at or above market growth. In 2020, we expect IT and Enterprise Service Management as markets to merge into Enterprise Service Management as customers are demanding holistic service management solutions focusing on more than IT services in this digital era. The future is with enabling business teams (and the ecosystem) to develop their enterprise services with SaaS platforms in an easy and agile way.

As well as the ratings, we also asked respondents whether they would recommend the vendor to their peers, the percent of affirmatives is documented as the Research In Action Recommendation Index; it ranges in this landscape from 73% to 98%.

This report provides you with a useful guide to important IT and Enterprise Service Management Trends and will help you make an informed decision regarding which vendors could best fit your requirements. This information can then be used in an amore detailed evaluation.

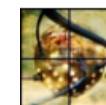
Always enjoy life to the fullest!



Eveline Oehrlich

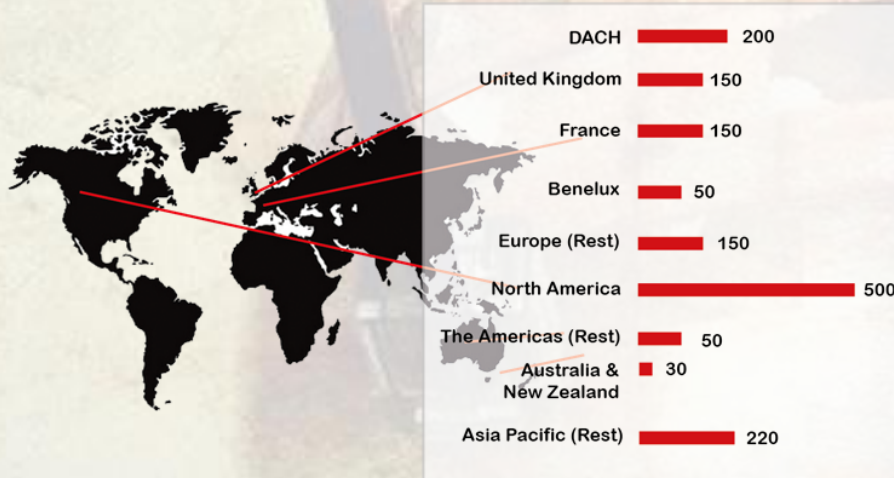
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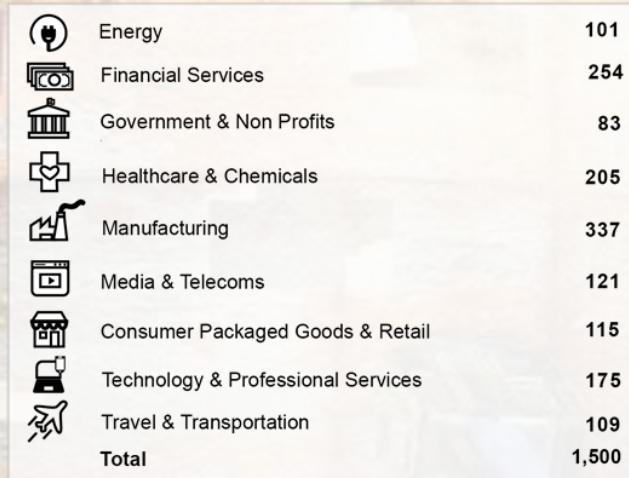


THE VENDOR SELECTION MATRIX™ METHODOLOGY

COUNTRY BREAKDOWN



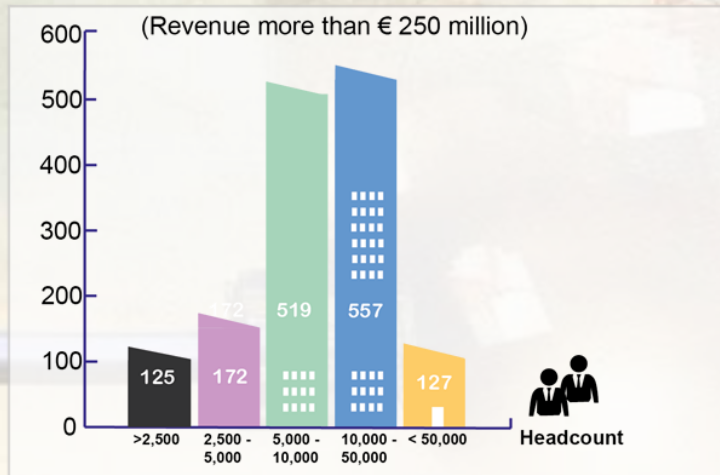
INDUSTRY BREAKDOWN



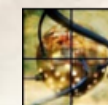
RESEARCH FACTS



COMPANY SIZE BREAKDOWN



JOB TITLE BREAKDOWN

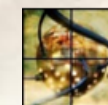


WHAT TOOLS DO YOU USE TO CREATE THE VENDOR SHORTLIST?



Decision Makers use a mix of traditional & online tools to create vendor shortlists

N = 3,000 Business and IT Managers with budget responsibilities



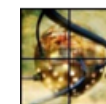
WHAT IS IT AND ENTERPRISE SERVICE MANAGEMENT?

- IT Service Management (ITSM)¹ refers to the entirety of activities – directed by policies, organized and structured in processes and supporting procedures – that are performed by an organization to plan, design, deliver, operate and control Information Technology (IT) services offered to customers. It is thus concerned with the implementation of IT services that meet customers' needs, and it is performed by the IT service provider through an appropriate mix of people, process and information technology.
- The IT Infrastructure Library (ITIL)² is the de facto standard for IT Service Management process definitions today.
- Enterprise Service Management (ESM)³ is a category of business management software - typically a suite of integrated applications that a service organization uses to capture, manage, save and analyze data critical to their service business performance. Enterprise Service Management has grown out of the use of IT Asset Management for traditionally non-IT assets. Today it is also increasingly used for:
(1) Human resources, (2) Vendor management, (3) Technical services, (4) Field services, (5) Financial management and (6) Shared services organizations.

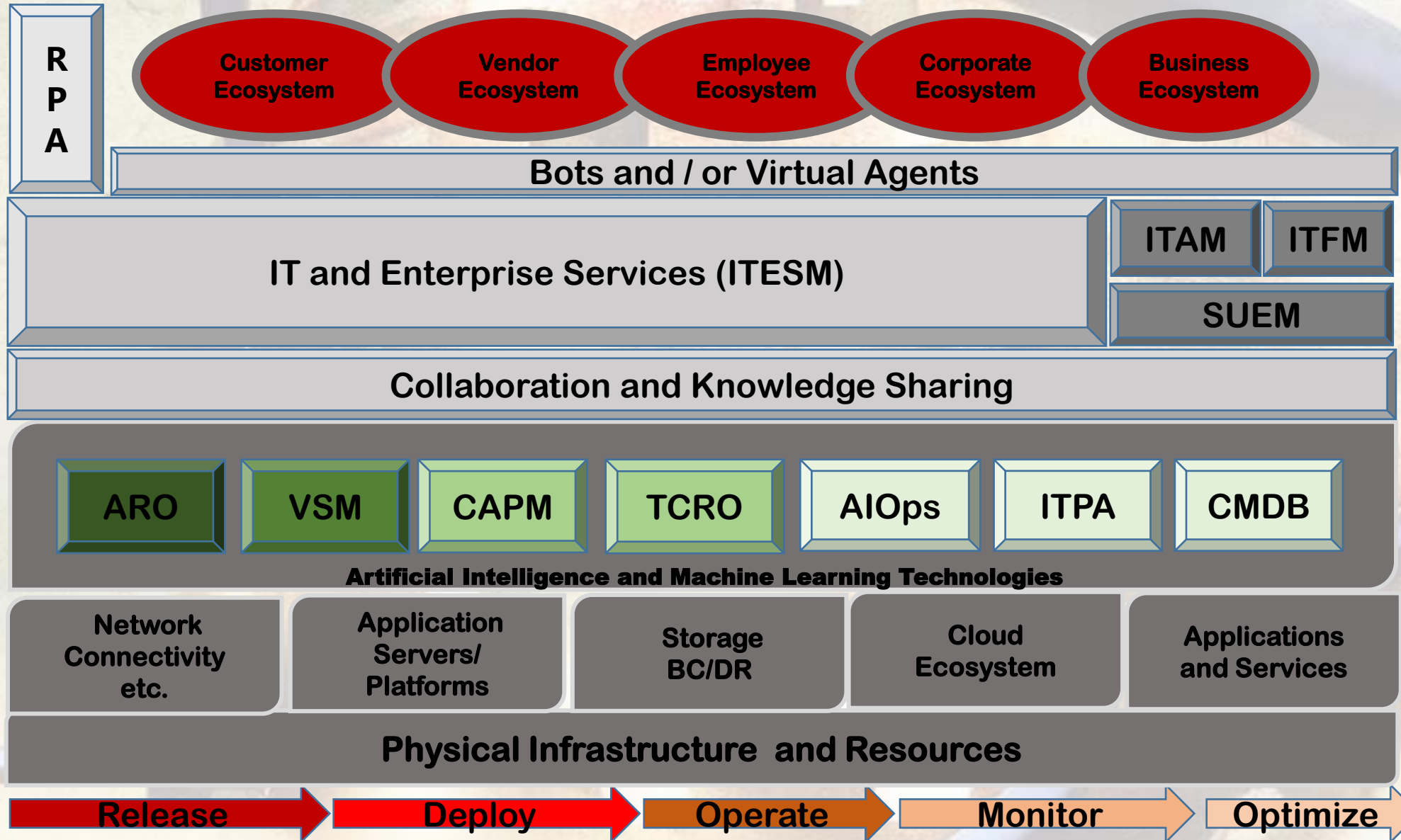
¹ IT Service Management, see https://en.wikipedia.org/wiki/IT_service_management.

² IT Infrastructure Library, see http://en.wikipedia.org/wiki/IT_Infrastructure_Library. ITIL is a trademark of AXELOS Limited.

³ Enterprise Service Management, see https://en.wikipedia.org/wiki/Enterprise_service_management.



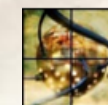
THE IT AUTOMATION MARKET TEXTURE



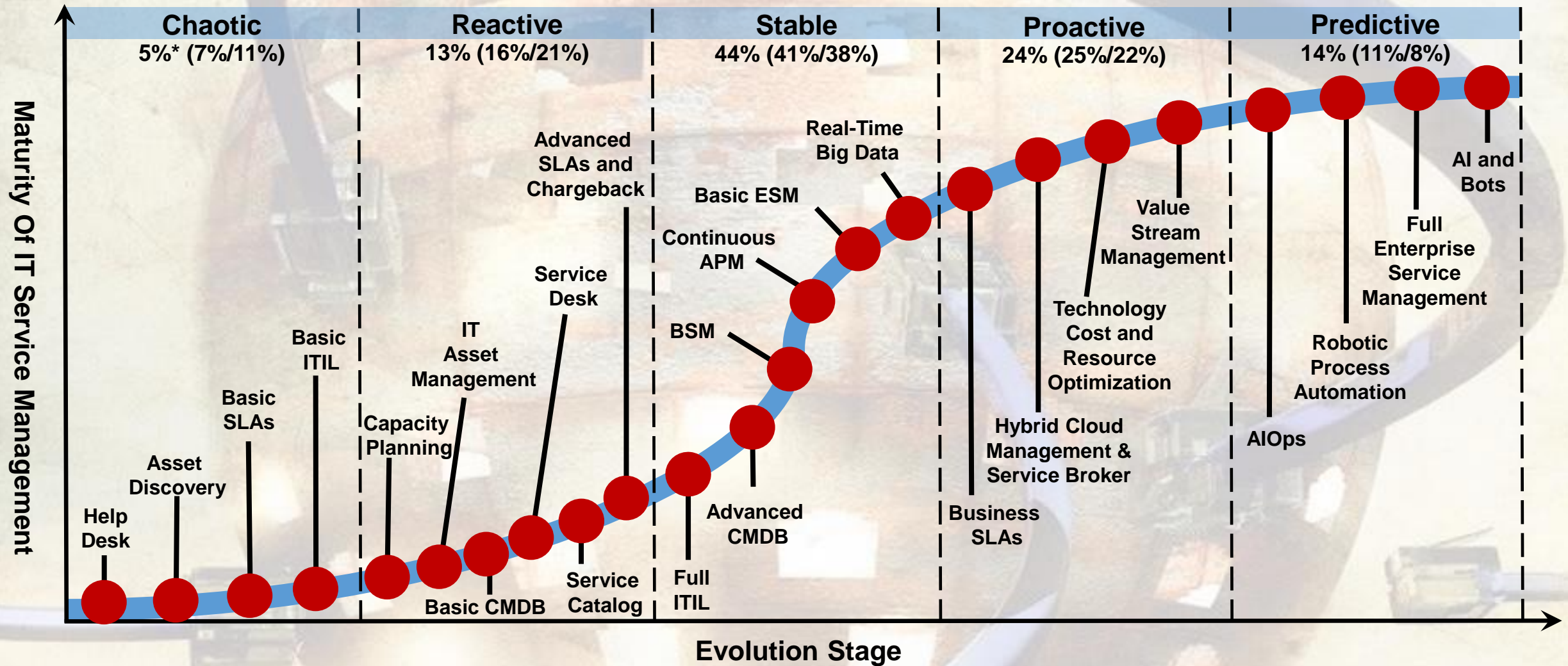
IT Automation is key to IT optimization as it allows to scale fast.

IT Automation is key to Digital transformation as it enables to predict and provide reliable services.

IT Automation will finally shift IT departments from service provider to business partner.

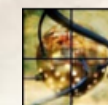


IT AND ENTERPRISE SERVICE MANAGEMENT MATURITY S-CURVE 2020

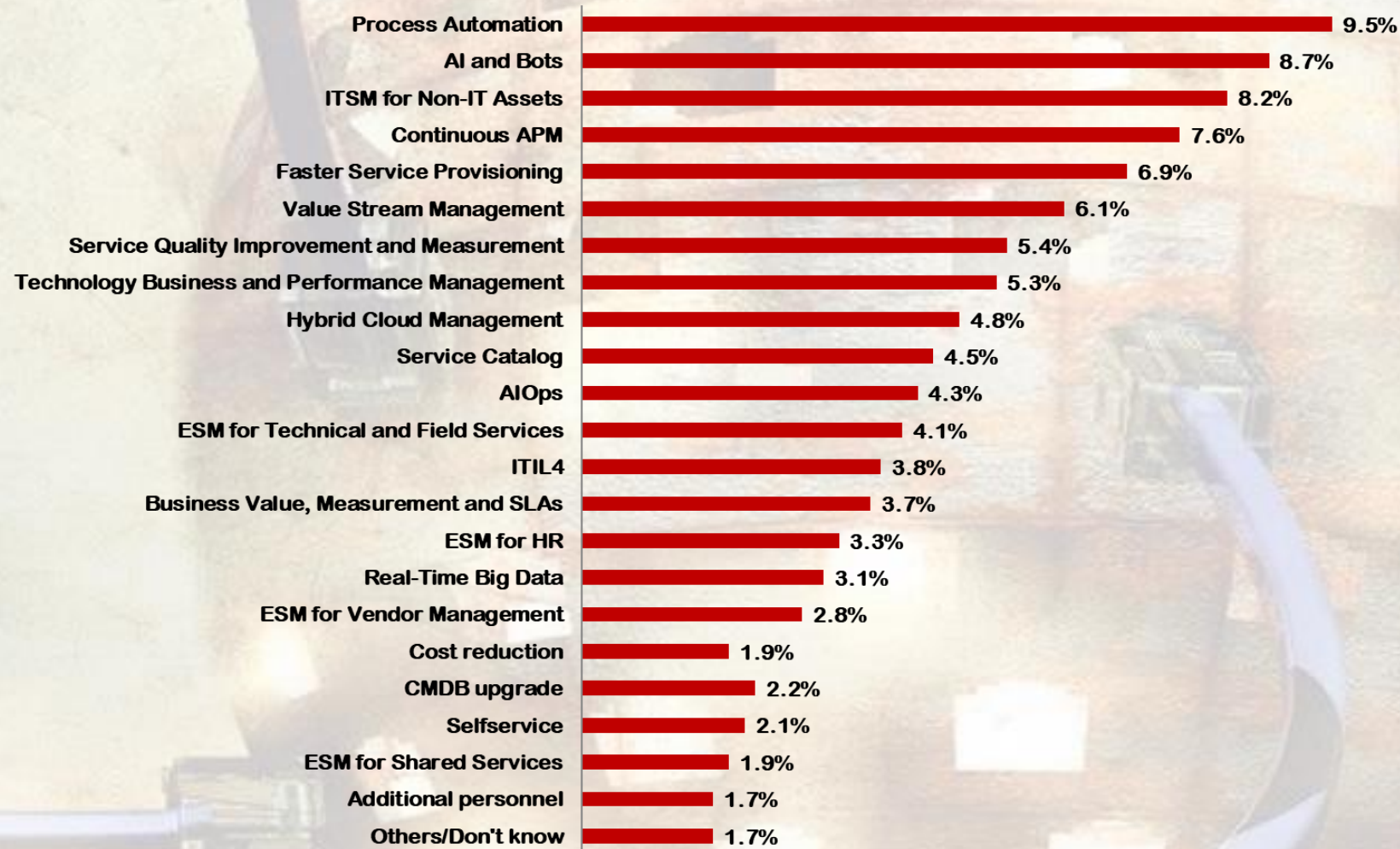


N = 2,250 IT Managers with budget responsibility

* Categories show adoption rates, (/) show changes from 2019/2018



RESEARCH: WHAT IS YOUR NUMBER ONE INVESTMENT AREA RELATED TO IT AND ENTERPRISE SERVICE MANAGEMENT IN 2020?

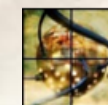


The automation of processes continues to be the top investment area followed by the leverage of AI and bots.

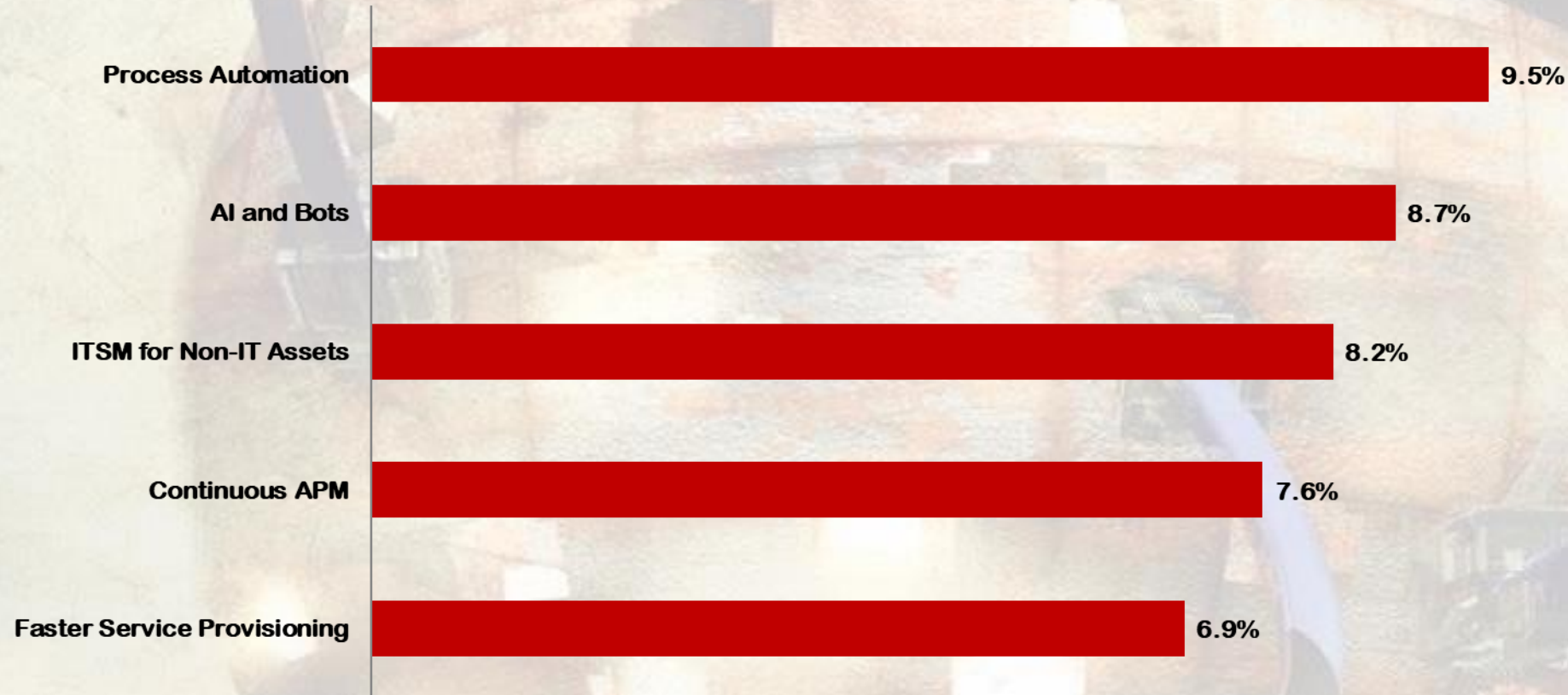
Automation in conjunction with AI provides for smart and intelligent automation which enables IT enterprise teams to be more efficient and productive delivering high quality service to employees and business teams across an enterprise.

Service Management as a best practice is no longer restricted to IT but has extended into other service areas within the business to streamline and automate existing and new processes and tasks.

N = 1,500 Enterprise IT Managers with budget responsibilities

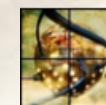


RESEARCH: WHAT IS YOUR NUMBER ONE INVESTMENT AREA RELATED TO IT AND ENTERPRISE SERVICE MANAGEMENT IN 2020?

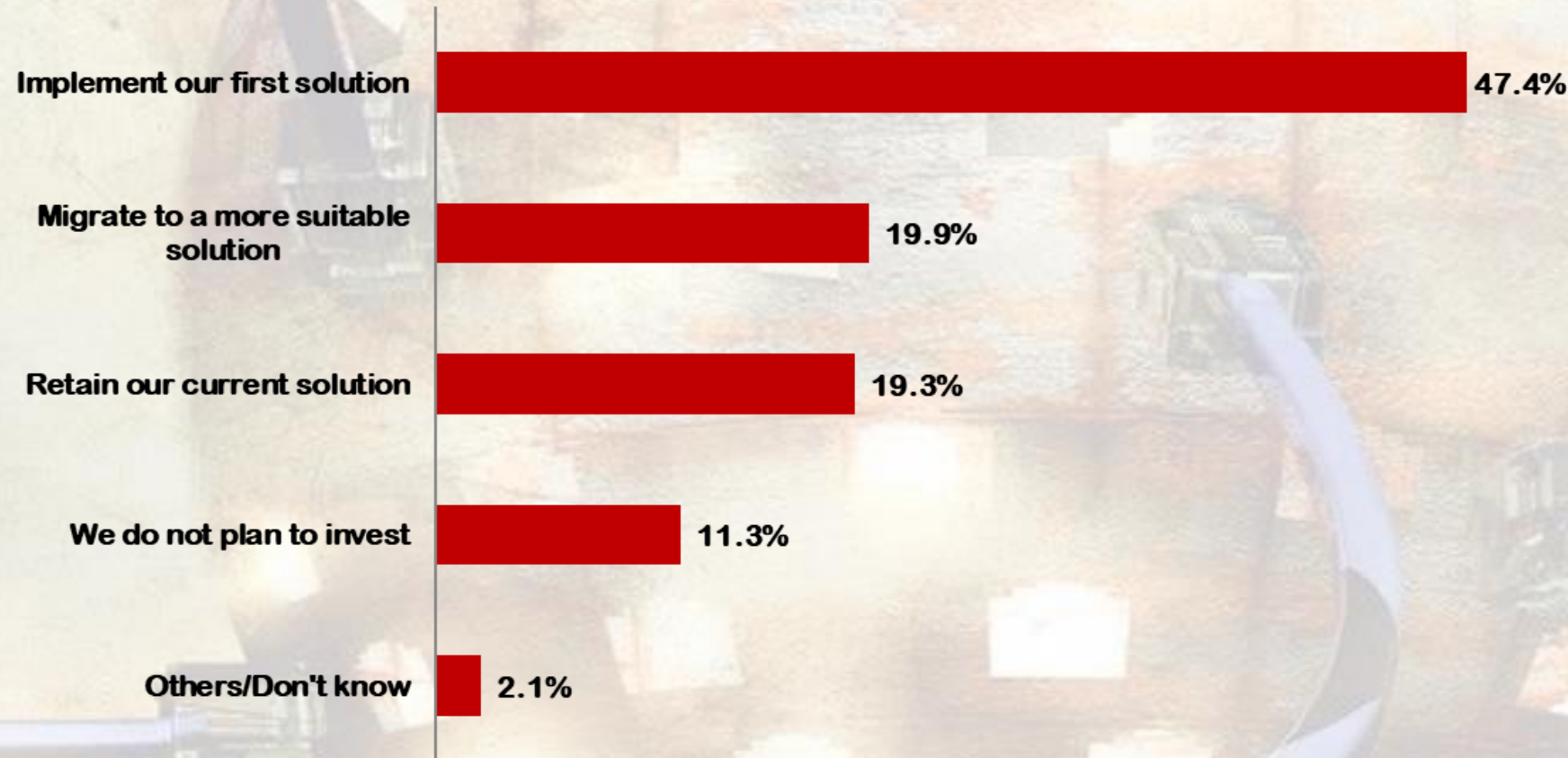


The Top Five investment areas for the global market in 2020 present priorities around agility and speed (# 1 and # 5) and intelligent IT and Enterprise Service Management (# 2, # 3, # 4) topics.

N = 1,500 Enterprise IT Managers with budget responsibilities

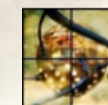


RESEARCH: ARE YOU PLANNING TO IMPLEMENT OR REPLACE YOUR ENTERPRISE SERVICE MANAGEMENT SOLUTION IN THE NEXT ONE TO THREE YEARS?

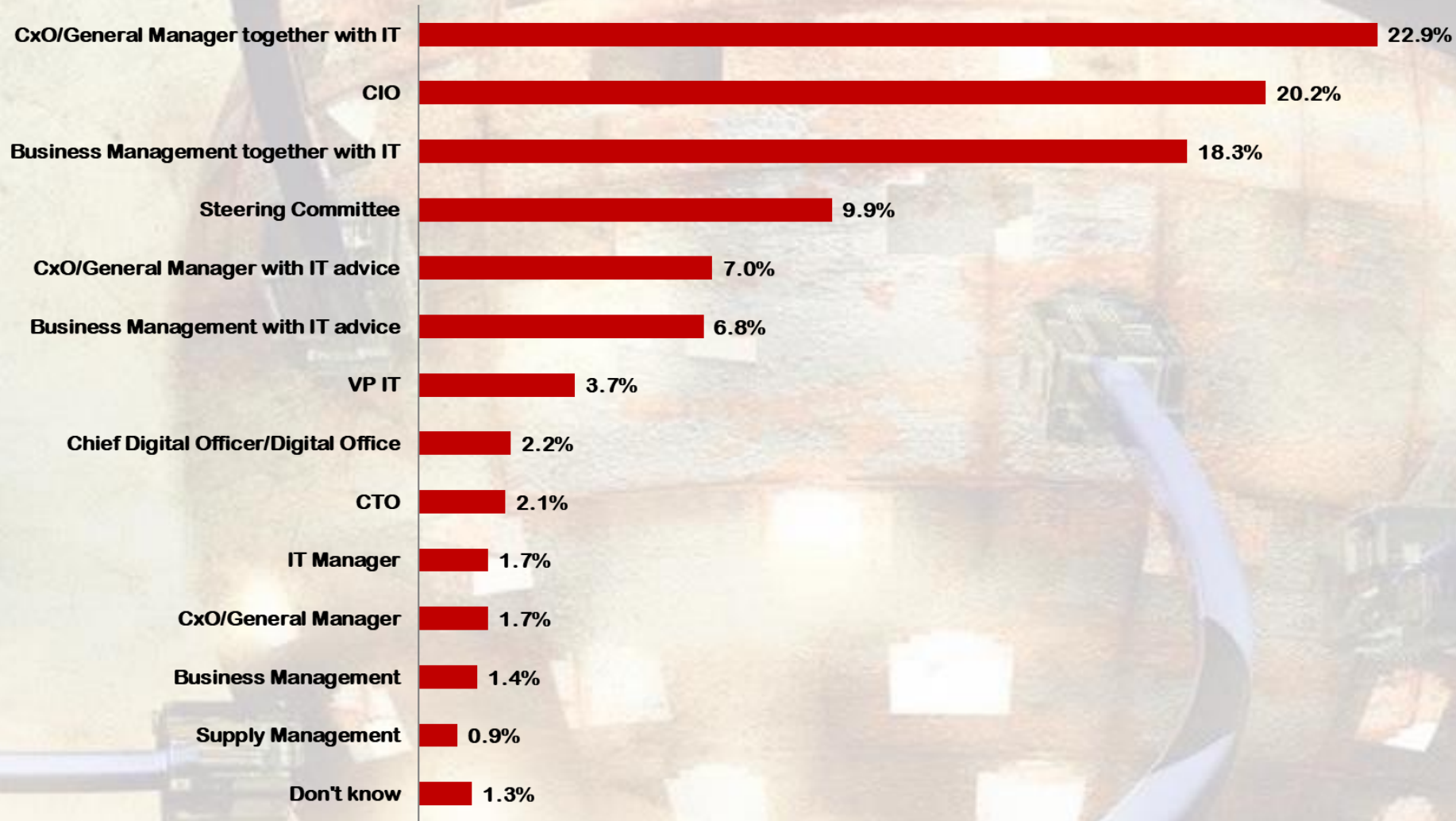


The concept of unified service delivery or Enterprise Service Management has been introduced within the last two to three years and typically started with the implementation of an enterprise service portal. These portals enabled self-service requests and since then, the concept of automating services delivery and support beyond IT has become an attractive vision for many enterprises. Almost 20% have been early adopters and are willing to shift to more suitable solutions, but 48% are just implementing their first ESM solutions today.

N = 1,500 Enterprise IT Managers with budget responsibilities

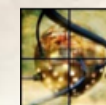


RESEARCH: WHO IS THE KEY DECISION MAKER WHEN IT COMES TO ENTERPRISE SERVICE MANAGEMENT?



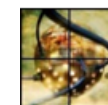
N = 1,500 Enterprise IT Managers with budget responsibilities

As enterprise organizations strive towards becoming a digital business, key processes outside the traditional IT ownership are being reviewed for automation and streamlining. This brings other leaders of the C-suite to the decision table for Enterprise Service Management solutions and will shape this market and its vendors in the future.



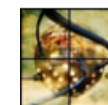
INSIGHTS: TOP MARKET TRENDS 2020

- **ITSM and ESM have become one.** Enterprise Services Management means to manage processes across a variety of lines of business from a central point. Existing ITSM solutions and processes are excellent foundations to extend into enterprise processes such as human resources, facilities, case management, project management, fleet management and beyond as ITSM teams have already figured out how to streamline and automate key processes. The extension of ITSM tools towards enterprise services is a natural evolution and elevates ITs value to the business. As many services within an organization are connected and teams collaborate and transform, Enterprise Service Management becomes a high value investment.
- **Joined decision making between IT and the business.** The provisioning and delivery of services is no longer the job of IT. As employees and departments within organizations are continuing the trend for self-service, decision makers are joining hands in deciding for the best IT and Enterprise Service Management strategy and tools to ensure positive impact on the service experience across their organization and ultimately towards the bottom line.
- **Digital attitudes will continue to drive the adoption of ESM.** Connectivity, everything-as-a-service-thinking, all time access to applications and information and global and local collaboration needs are also creating big challenges. These challenges – to name only a few - managing the network of workers, connectivity, data security, regulatory compliance, internal governance and the management and compensation of device usage must be managed and orchestrated by a team or function. As the workforce becomes more digital the opportunities and challenges need to be managed and orchestrated and IT and ESM become the orchestration point.



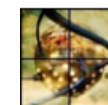
INSIGHTS: TOP MARKET TRENDS 2020

- **Demands for agility, velocity and improvements of service quality require intelligent automation.** The automation of processes has always been one of the fundamentals of IT and Enterprise Service Management. Agile thinking and Digital Transformation models such as DevOps require intelligent automation across all processes within the service eco system. Examples such as agile swarming and Kanban boards are just a few innovations which are being implemented today. This year, IT enterprise organizations should focus on what their automation objectives are no matter what silo they are in. Breaking the silos will help those who consume software and services and ultimately raise employee and customer experience.
- **Artificial Intelligence and Machine Learning support modern ways of working and interacting.** Intelligent chatbots and other AI-assisted service tools are on the rise and are providing an efficient and automated way to improve customer and employee journeys. The gain in economic benefits and scalability of these has great benefits. The evolving capabilities of these bots (and additional innovations leveraging Artificial Intelligence) will change the working environment and every organization must evaluate the suitability of these technologies for their culture and work environment.
- **The modern ways of working require collaboration and coordination which demand further innovations.** Teams comprised of global, local, internal and external team members which are part of partners and suppliers need models to collaborate and coordinate. In the emerging model of global service delivery, several teams and members must work collaboratively to develop, orchestrate, automate and deliver services and solutions. IT and Enterprise Service Management enables the management and coordination of complex end-to-end processes carried out collaboratively by several organizations.



INSIGHTS: TOP MARKET TRENDS 2020

- **Employee and customer experience rules.** Plenty of research has shown that there is a close link between employee experience and customer satisfaction. In fact some research suggests that companies with highly engaged employees outperform their competitors by as much as 147%. For an employee to be highly engaged, it requires a good working experience across the person's job. This means ease-of-access and use of resources, coordinated support and help from teams shaping the employees experience which then shapes the internal culture. Modern IT and Enterprise Service Management tools empower the workforces of today.
- **Innovation will shift people to higher level skills.** Mundane tasks of e.g. managing incidents, report creation and deciphering knowledge articles are not fun plus they are a waste of valuable resources. With IT budgets only increasing by 3% globally, organizations are implementing additional automation capabilities which allows them to shift their workforce towards higher value work.



VENDOR SELECTION MATRIX™ – ENTERPRISE SERVICE MANAGEMENT SAAS AND SOFTWARE: THE TOP 20 GLOBAL VENDORS 2020

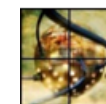
VENDOR NAME	PRODUCT(S)
AXIOS	Assyst
BMC	BMC Helix, Remedy Service Management Suite
BROADCOM	Clarity Service Management
CHERWELL	Cherwell Service Management
EASYVISTA	EV Service Manager
EFFECTE	Efecte Service Management
FRESHWORKS	Freshservice
IBM	Control Desk, Maximo
IVANTI	Service Manager
MATRIX42	Enterprise Service Management, Secure Unified Endpoint Management
MICRO FOCUS	Service Management Automation X (SMA), IT Operations Management
MICROSOFT	System Center Service Manager, Microsoft Operations Manager
OPEN SOURCE	(1) OTRS, RT und openITCOCKPIT für Incident und Problem Management (2) I-Doit, OCS Inventory NG, OpenQRM, RANCID, Facter, Opsi und Puppet für Change, Configuration und Asset Management (3) R-Project, SE Toolit, XE Toolkit, Orca und]Project-Open[für Capacity Management
SAP	SAP Solution Manager
SERVICENOW	ServiceNow IT Service Management
SERVICWARE	Serviceware Processes (helpLine), Serviceware Financials (anafee)
SOLARWINDS*	Service Desk
TOPDESK	TOPdesk Lite, Professional & Enterprise for ESM including IT/FM/HR Service
ZENDESK	Zendesk

* Samanage has been acquired by Solar Winds.

This listing is alphabetical and includes all relevant IT and Enterprise Service Management solutions which have been part of the survey.

Other Vendors outside of the Top 20* or with fewer than 15 evaluations:

- 4ME
- ATlassian
- OMNINET
- USU
- VISION HELPDESK

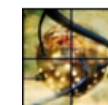


VENDOR SELECTION MATRIX™ – ENTERPRISE SERVICE MANAGEMENT SAAS AND SOFTWARE: THE TOP 20 GLOBAL VENDORS 2020 - QUICK FACTS

VENDOR NAME	STAFF	REVENUE ¹	GROWTH	RI ²	GOOD TO KNOW
AXIOS	> 200	> € 25 m	< 20% p.a.	91%	End-to-end Service Management with easy and low cost.
BMC	> 6,000	> € 2 b	> 10% p.a.	94%	Delivers its modular BMC Helix solution to reenergize its customers and partners.
BROADCOM	< 15 k	< € 3 b	< 20% p.a.	73%	Is addressing both business and IT users with Clarity SM.
CHERWELL	> 600	< € 250 m	< 20% p.a.	95%	Continues to delight its customers and partners.
EASYVISTA	> 200	> € 100 m	> 15% p.a.	95%	Affordable cloud-based IT Service Management.
EFFECTE	> 110	> € 10 m	< 20% p.a.	96%	Can become the leading European ITSM and ESM cloud solution.
FRESHWORKS	> 2,300	> € 200 m	> 50% p.a.	95%	Delivers a unified experience that works for users across many functional areas.
IBM	> 350 k	> € 1 b	> 5% p.a.	88%	Unifying the digital and physical world with Control Desk and Maximo.
IVANTI	> 1700	< € 250 m	< 30% p.a.	91%	A affordable, flexible and complete solution to automate IT and enterprise services.
MATRIX42	> 400	> € 50 m	> 20% p.a.	98%	A comprehensive solution with focus on managing the digital workspace.
MICRO FOCUS	> 14 k	> € 500 m	> 15% p.a.	94%	With SMAX, Micro Focus has reestablished customer trust and excitement.
MICROSOFT	> 140 k	> € 250 m	< 5% p.a.	88%	Used by most companies for basic service management automation.
OPEN SOURCE	N.A.	N.A.	< 10% p.a.	95%	Traditionally popular in the the global market but with a steadily decreasing tendency.
SAP	> 100 k	N.A.	> 25% p.a.	94%	Strong Enterprise Service Management solutions with Solution Manager gaining importance.
SERVICENOW	> 10 k	> € 3 b	> 25% p.a.	94%	ServiceNow continues to modernise its IT Workflows and Now Platform to grow even bigger.
SERVICWARE	> 450	< € 100 m	> 20% p.a.	98%	Delights its customers with solid ITSM and ESM solutions.
SOLARWINDS	< 2,500	> € 800 m	< 5% p.a.	92%	Entered ITSM space through the acquisition of Samanage.
TOPDESK	> 800	> € 50 m	> 25% p.a.	95%	Solid and strong solutions across IT and Enterprise Service Management.
ZENDESK	< 250	< € 50 m	> 5% p.a.	88%	Increasing focus on Customer Relationship Management.

¹ In the IT and Enterprise Service Management SaaS and Software market.

² The Research In Action Recommendation Index (RI) is collected and calculated by asking the survey participants (see page 3) "Would you recommend this vendor in this market to your peers - Yes or No?".



VENDOR SELECTION MATRIX™ – ENTERPRISE SERVICE MANAGEMENT SAAS AND SOFTWARE: EVALUATION CRITERIA

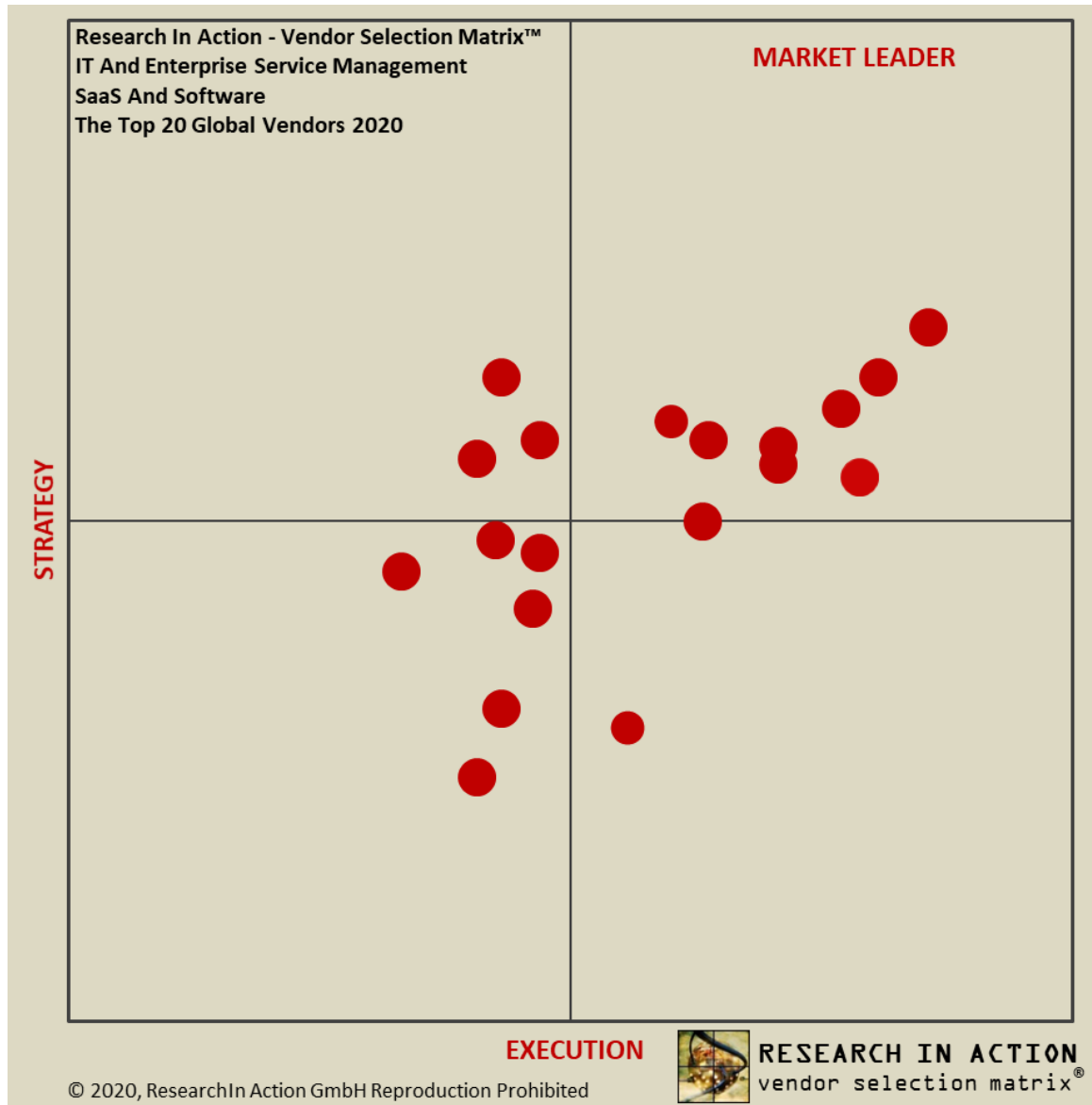
STRATEGY

Vision & Go-To-Market	30%	Does the company have a coherent vision in line with the most probable future market scenarios? Does the go-to-market and sales strategy fit the target markets and customers?
Innovation & Partner Ecosystem	20%	How innovative is the company? How is the partner ecosystem organized and how effective is the partner management?
Viability & Execution Capabilities	15%	How likely is the long-term survival of the company in this market? Does the company have the necessary resources to execute the strategy?
Differentiation & USP	35%	Does the solution have a Unique Selling Proposition (USP) and clear differentiators?

EXECUTION

Breadth & Depth Of Solution Offering	30%	Does the solution cover all necessary capabilities expected by the customers?
Market Share & Growth	15%	How big is the market share and is it growing above market rate?
Customer Satisfaction	25%	How satisfied are customers with the solution and the vendor?
Price Versus Value Ratio	30%	How do customers rate the relationship between the price and perceived value of the solution?

VENDOR SELECTION MATRIX™ – IT AND ENTERPRISE SERVICE MANAGEMENT SAAS AND SOFTWARE



The Top 10 Vendors:

1. **SERVICENOW**
2. **BMC**
3. **MICRO FOCUS**
4. **CHERWELL**
5. **SERVICEWARE**
6. **MATRIX42**
7. **EFFECTE**
8. **TOPDESK**
9. **FRESHWORKS**
10. **IBM**

Note: Potential numerical deviations due to rounding

THE RESEARCH IN ACTION GMBH VENDOR SELECTION MATRIX™ METHODOLOGY

Vendor Selection Matrix™ Disclaimer:

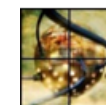
The Vendor Selection Matrix™ is a primarily survey-based methodology for comparative vendor evaluation. Research In Action GmbH does not endorse any vendor, product or service depicted in our research publications, and does not advise technology users to select only those vendors with the highest ratings. The information contained in this research has been obtained from both enterprise as well as vendor sources believed to be reliable. Research In Action GmbH's research publications consist of the analysts' opinions and should not be considered as statements of fact. The opinions expressed are subject to change without further notice. Research In Action GmbH disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

About:

Research In Action GmbH is a leading independent information and communications technology research and consulting company. The company provides both forward-looking as well as practical advice to enterprise as well as vendor clients.

APPENDIX: IT AUTOMATION MARKET TEXTURE DEFINITIONS

- **Robotic Process Automation (RPA)** solutions enable the automation of tasks, processes and procedures which are normally conducted by a human. RPA solutions create software robots that mimic human actions. Typically, these are tasks that a human would do. (Ro)Bots and Virtual Agents are part of RPA solutions.
- **Application Release Orchestration (ARO)** solutions equip IT enterprise organizations and their teams with the automation of the software deployment cycle across hybrid technology environments.
- **AI Powered Chatbot Platforms** which are used to build applications that answer questions, provide advice and/or recommendations using natural language processing and other dialog related technologies.
- **IT Service Management (ITSM)** refers to the entirety of activities – directed by policies, organized and structured in processes and supporting procedures – that are performed by an organization to plan, design, deliver, operate and control Information Technology (IT) services offered to customers. It is thus concerned with the implementation of IT services that meet customers' needs, and it is performed by the IT service provider through an appropriate mix of people, process and information technology.
- **Enterprise Service Management (ESM)** is a category of business management software - typically a suite of integrated applications that a service organization uses to capture, manage, save and analyze data critical to their service business performance. It automates service offerings across functional areas such as (1) Human resources, (2) Vendor management, (3) Technical services, (4) Field services, (5) Financial management and (6) Shared services organizations.
- **IT Asset Management (ITAM)** software manages the full lifecycle of IT assets which typically includes all software, hardware, networking, cloud services, and client devices. In some cases, it may also include non-IT assets such as buildings or information where these have a financial value and are required to deliver an IT service. IT asset management can include operational technology (OT), including devices that are part of the Internet of Things. These are typically devices that were not traditionally thought of as IT assets, but that now include embedded computing capability and network connectivity.
- **IT Financial Management (ITFM)** software enables the accurate and cost-effective management of IT assets and resources with the aim to plan, control, recover (or overall manage) costs which are occurring while providing IT and Enterprise Services to the organization.
- **Secure Unified Endpoint Management (SUEM)** software enables the management and securing of mobile applications, content, collaboration and provides for the management of all endpoints like smartphones, tablets, laptops, printers, ruggedized devices, Internet of Things (IoT) and wearables.
- **Technology Cost and Resource Optimization (TCRO)** software enables the planning, management and visibility of the supporting and required business and IT technology resources from a cost and capacity perspective by visualizing, planning, prioritizing and optimizing the usage and demands of technology resources (people, processes and technologies) for the enterprise.
- **Value Stream Management (VSM)** software solutions capture, visualize, and analyze the flow of work across the entire agile software delivery project. The capabilities include end-to-end visibility, traceability and governance over the entire process and help to plan, track, and steer work at the team, program, portfolio, and enterprise levels. It includes the people working on a project, the systems which are operated and leveraged, and the flow of information and materials between teams. It enables the measurement of speed and quality for digital transformations.
- **Continuous Application Performance Management (CAPM)** software solutions continuously identify issues around performance and availability of software applications, IT and enterprise services. The solutions strive to proactively detect and diagnose application performance problems and health and enable a situational awareness of application related issues.
- **Artificial Intelligence for Operations (AIOps)** solutions equip IT enterprise teams with analysis of volumes and categories of data to improve key processes, tasks and decision making. The adoption of these tools automates the ingestion of fast volumes of data; leverage machine learning to analyze the data, present findings to either predict or alert on issues, and leverage the knowledge for automation or decision making.
- **Artificial Intelligence and Machine Learning (AI/ML)** are both technologies and are leveraged in automation solutions. Artificial intelligence (AI) is the ability of a computer program or machine to think and learn (AI can mimic human cognition). Within IT Automation AI is used to correctly interpret a variety of data, to learn from such data, and to use those learnings to achieve specific goals and tasks through flexible adaptation. Machine learning enables computers with the ability to learn without being programmed (explicit algorithms). It explores the study and construction of algorithms which can learn and make predictions on data. The algorithms follow programmed instructions or can make predictions or decisions based on the data. Machine learning is used when explicit algorithms cannot be done (e.g. computer vision, search engines, optical character recognition).



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