Enterprise Services

2020 Research Agenda

Evan Kirchheimer

Research Director

> More and more businesses are either running existing or 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. Running and growing a profitable B2B business, from network to the cloud, and from core applications to the digital workspace, remains a challenge, especially when business customers are becoming increasingly demanding.

2020 research themes

ADVANCED DIGITAL SERVICES

- The rise of emerging technologies will drive professional services
- The rise of CDOs and other personas
- Business outcome driven to ICT engagements
- Co-investments and co-creation model will become more popular
- Changing delivery models
- The changing competitive dynamics

CUSTOMER ENGAGEMENT

- Creating the connected and adaptive enterprise to deliver differentiated customer experience
- Using AI and machine learning to transform customer data from static to intelligent and actionable
- Enabling the next-generation augmented and highly differentiated customer experience through advancement to the cloud, 5G, and mobile edge
- Understanding the role of the customer engagement platform and strategic approaches to delivery

NETWORK TRANSFORMATION

- Intersection of SD-WAN and virtualization with cloud
- Security and resilience to protect enterprise assets
- Successful service models for virtualization/NFV adoption
- Shift in network architectures to applications-centricity
- The influence of the enterprise channel

SME AND SOHO SERVICES

- Virtualizing the SME
- Architecting the B2B channel

WORKSPACE SERVICES

- Changing workstyles and new buying points
- New models for workspace service provision
- The technologies that will help build a smart workspace
- Differentiating through the workspace user experience
- The enterprise 5G opportunity
- The rise and rise of team collaboration and live meetings

Advanced Digital Services

The Market Challenge

Emerging technologies are consistently being leveraged by enterprises to accelerate their digital efforts. Significant numbers of enterprises are looking at external IT partners to help them understand these technologies better and discover how they can accelerate their digital journeys. Professional services that are wrapped around these emerging technologies are also evolving as enterprises look for business outcomes and other changing priorities.

IT players also need to upskill to stay relevant and change the way they engage and approach customers. The competitive landscape has also welcomed new entrants with many digital IT providers making a big play in professional services and changing the order of play.

Adrian Dominic Ho
Practice Leader

How Ovum helps you

Understand the global aspirations and digital ambitions of the CxO community and the global C-suite digital barometer on technologies investment and digital goals/aspirations.

Understand who the leaders are in various segments of the market and how they can compete better with detailed competitive benchmarking from our Service Provider Digital Framework series.

Establish the best areas to place investments and resources with comprehensive market forecasts providing a global total addressable market for enterprise services.

Analyze contracts; IT contracts tracking and analysis will give players insight into how contracts are evolving

What's new for 2020?

C-suite Barometer – C-suite digital aspirations and ambitions. Technology investment priorities and how it varies between all the personas

Digital Framework Series – series of competitive benchmarking exercise of IT system integrators

Emerging Technologies Services Spotlight – focus on how emerging technologies and the opportunities on professional services. Technologies will include edge services, blockchain, 5G-enabled services, and more

Emerging Technologies Services Survey – series of end-user surveys on emerging technology and the impact on services and enterprises

Key Deliverables

C-suite Barometer – global C-suite highlights of digital goals and investment priorities and in several individual countries.

Competitive analysis – assess and compare vendor via the digital framework series.

Survey reports – focuses on enterprise adoption of emerging technologies globally.

Forecasts for enterprise services – five-year forecast across various enterprise services.

Use cases – enterprise experience in evaluating, selecting, implementing, and measuring benefits from various emerging services.

Market reports and research notes – provide insight on emerging technologies and business models from top providers and new entrants.

Themes for 2020

The rise of emerging technologies will drive professional services
There will be a rush of adoption of emerging technologies in 2020 and beyond. Technologies will include blockchain, 5G IoT, augmented reality, edge computing, and machine learning. This will drive demand for professional services as enterprises' willingness to adopt them is driven from a design that it can transform the enterprise from an operational perspective, as well as in the way it engages with customers and partners. The implication for players is rapid upskilling and to change the way they engage with enterprises.

The rise of CDOs and other personas
IT budgets are shifting away from IT domain to business leaders and other personas. The rise of the CDO cannot be ignored as it will have a major influence on IT procurement and decision-making across the enterprise. The CDO's aspirations and ambitions are also different from other personas and all players need to satisfy to be successful.

Business outcome driven to ICT engagements
The modern digital IT buyer (e.g., CDO) is increasingly looking for positive business outcomes when implementing any new technology. This could include having a meaningful impact on revenue generation, competitive differentiation, and customer engagement. This changes the engagement model for many providers who will need to have deeper understanding of industries, workflow, and business processes. Enterprises are also bringing IT in-house as they want to become innovation hubs themselves. This will ultimately raise the bar for all providers.

Co-investments and co-creation models will become more popular
There will be a bigger appetite for enterprises to strike a co-investment relationship with providers as they want to have their partners to have skin in the game and be able to offer a solution that will deliver sustainable differentiation. Providers will need to review methodology and risk assessment before engaging.

Themes for 2020, continued

Changing delivery models
The opex model will continue to rise in popularity as enterprises prefer a "pay-as-you-consume" model to mitigate against uncertainty. The fundamental shift in the way IT is being consumed continues and providers need to adjust their respective business models as well. Risk-reward types of engagements will also rise as co-investments engagement takes off.

The changing competitive dynamics
Ovum expects the hyperscale cloud providers to enhance their professional services offerings to align with their ambitions in emerging technologies. This group of players could potentially change the market. Expect more niche players to emerge to take advantage of the breadth of emerging technologies, especially in specific markets. Global players will march on and many will continue to adjust their models of the new normal.

We analyze the impact of emerging technologies on the digital efforts of enterprises and the resulting ramifications for all players in the industry as they strive to be the digital provider of choice to enterprises.

Customer Engagement

The Market Challenge

Customer experience has become a key competitive battleground for today's organizations; however, as customer expectations continue to rise there is a growing gap between what customers want and what enterprises are able to deliver. To close this gap and compete successfully in the Experience Economy, enterprises must orient their value creation and delivery systems and processes around the customer. This requires a holistic perspective allied to a connected ecosystem of data, analytics, machine learning, collaborative support, targeted content, and collaborative workplace tools.

To navigate, survive, and thrive in this increasingly complex landscape, enterprises must transform into intelligent, highly adaptive, and purposeful organizations with the integrated capabilities to deliver positive experiences throughout every customer journey, irrespective of channel or department touched. Today it is a real-time intelligent platform play, not a siloed collection of line-of-business applications.

Maxine Holt
Research Director

How Ovum helps you

Learn best practices in data integration and knowledge management to optimize customer-facing employee interactions.

Understand how effective customer journey management can drive brand differentiation in the marketplace.

Find out the critical role of customer engagement platforms versus siloed CRM applications.

Organize priorities and processes to enable a connected ecosystem of data, analytics, and machine learning and automation tools.

Evaluate the tools enterprises use to implement AI-driven predictive and proactive processes into the CX environment.

What's new for 2020?

Personalization – report on the role of ethics in the evolution of customer personalization

Conversational AI – research covering growing demand for conversational AI and an analysis of future market development

Sales – report on the rise of sales force engagement versus sales force automation

Key Deliverables

Evaluation reports – update on how platforms such as customer journey management, customer data platforms, and customer engagement platforms, are evolving, and a look at the leading vendors involved.

Analyst Insight – update on the growing demand for conversational AI and analysis of future market development.

Market Forecast – global forecasts by geographic regions and countries of technologies, agent positions, vertical markets, and dollars spent on CX.

Themes for 2020

Creating the connected and adaptive enterprise to deliver differentiated customer experience
Enterprises are acknowledging the need for platforms that span the enterprise and enable end-to-end, proactive engagement at right time, right place. To succeed in this new holistic continuum, enterprises and vendors must harness data, applications, intelligence, processes, and automation to understand customer context, buying journeys, and then orchestrate relevance at every step – content, offers, guidance, and support – to help customers achieve their desired outcomes. This will create a near-autonomous level of dynamic orchestration of the customer experience, at every step of the customer lifecycle.

Using AI and machine learning to transform customer data from static, to intelligent and actionable
Data and the knowledge resulting from its efficient collection and intelligent use will be the main ingredient required for business optimization and brand differentiation in the future. However, most enterprises have silos of data as the result of disparate systems implemented over decades that have yet to be merged to enhance business operations and customer satisfaction. Innovations in AI and machine learning now provide a unified environment to remove silos and deliver actionable and impactful business solutions.
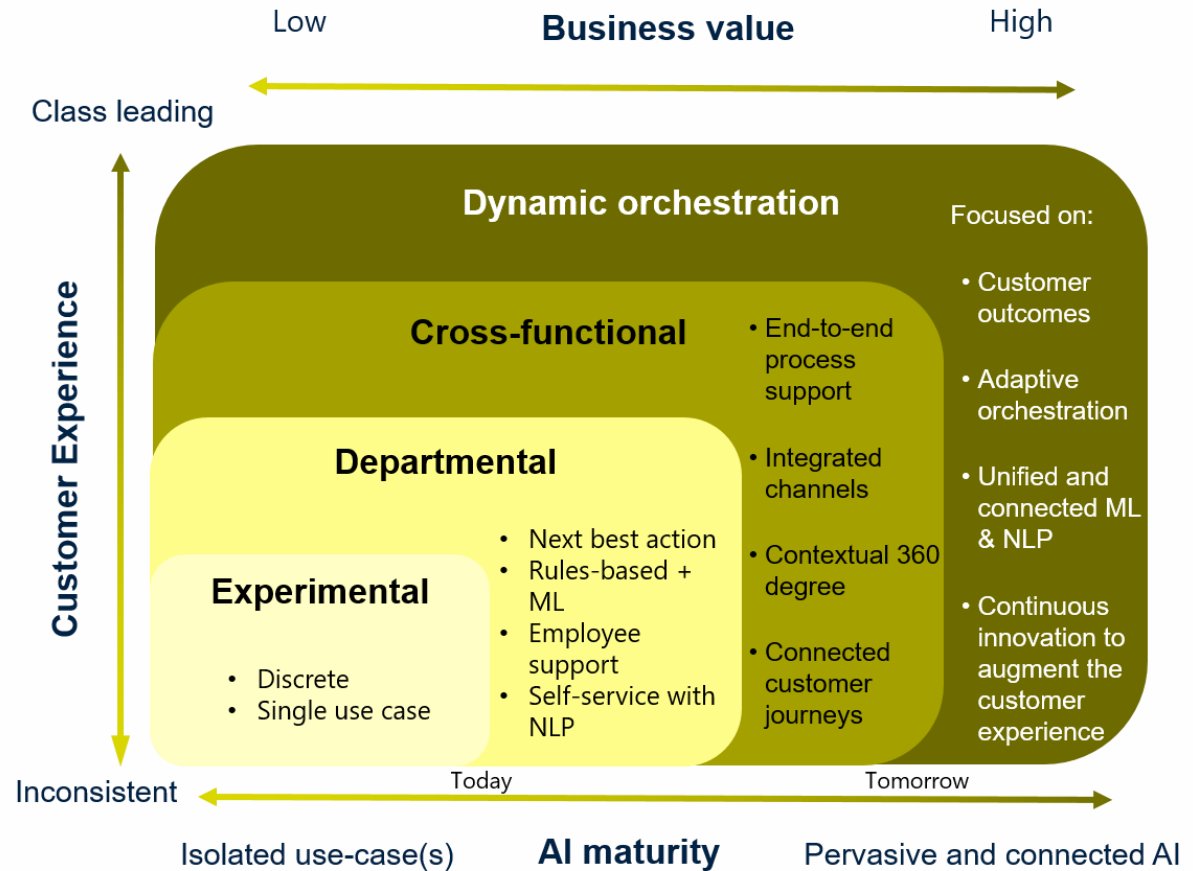
Enabling the next-generation augmented and highly differentiated customer experience through advancement to the cloud, 5G, and mobile edge
The advent of 5G in conjunction with mobile edge computing and the cloud, will transform the customer experience. Together, they will enable genuine and real-time dynamic experiences that customers and employees will come to expect: immersive commerce and marketing experiences, remote support through augmented reality, connected global workforces, increased customer personalization, interactive visualizations, and the modern agent desktop that enables real-time, 360-degree support.

Understanding the role of the customer engagement platform and strategic approaches to delivery
Customer expectations continue to rise, yet traditional customer relationship management (CRM) technology is transactional and has proved inadequate. Customer engagement platforms (next-generation CRM) overcome these limitations and can be used to create a coherent and enterprise-wide customer engagement capability. Consideration must be given to what such a platform entails and how best to deliver it – build, buy, or a hybrid approach?

> *We are only at the start with AI in customer experience, where ML provides localized value a department at a time. But dynamic, near-autonomous orchestration is where it is heading.*

Business value

Low — High

Class leading

Customer Experience

Inconsistent

Dynamic orchestration

Cross-functional

Departmental

Experimental

- Discrete
- Single use case

- Next best action
- Rules-based + ML
- Employee support
- Self-service with NLP

- End-to-end process support
- Integrated channels
- Contextual 360 degree
- Connected customer journeys

Focused on:

- Customer outcomes
- Adaptive orchestration
- Unified and connected ML & NLP
- Continuous innovation to augment the customer experience

Today — Tomorrow

AI maturity

Isolated use-case(s) — Pervasive and connected AI

Source: Ovum

Network Transformation

The Market Challenge

Enterprise IT managers face upheaval in their networks. Buyers need control over application performance, are shifting to cloud workloads, adopting dynamic and hybrid services, virtualizing the network, and adding software-defined services. Enterprise administrators need to build these new types of networks to meet their changing business priorities.

For service providers this presents a challenge on two fronts. They need to develop, deliver, and support external-facing services for their clients; and they need to evaluate and adopt internal tools, techniques, and processes to automate their internal infrastructure. These changes must either maintain or improve carrier-grade performance, reliability, and security.

Brian Washburn
Practice Leader

How Ovum helps you

Track the emergence of transformational network services from leading providers to understand the competitive landscape.

Better understand the evolving points of provider synergy and competition where network meets data center and cloud resources.

Understand the market size and market growth relationships between enterprise network and managed services including private MPLS, Ethernet, public internet, SD-WAN, and other managed CPE services.

Gain insights on global enterprise IT executive adoption trends, and their experiences with new network technologies and their benefits.

Identify 5G's projected uses in enterprise services, and early monetization and use cases related to edge computing and 5G.

What's new for 2020?

Increased coverage of **transformational network services (SD-WAN), NFV adoption and new entrants**

Enhanced focus on **network and cloud services management with focus on application performance**

Improved insight into **service providers' evolving software transformation and commercial models**

Key Deliverables

Network service assessments – track the emergence of transformational network services from leading providers.

Cloud service provider updates – understand the complex provider landscape for managed hybrid services.

Network services total addressable market – size and growth figures for network and associated key managed services by country, region, and segment.

New services market reports – identifying 5G and edge cloud enterprise applications, early monetization and use cases of edge cloud and 5G.

Data center/cloud interconnect market reports – investigating the points of synergy and competition between network providers and data center/cloud players and services.

Channels market reports – looking at the complex relationships and capabilities of the channel to bring together solutions involving network, equipment, managed, advisory, and professional services.

Themes for 2020

Intersection of SD-WAN and virtualization with cloud
Enterprises consume services from a range of providers, including network, cloud, managed specialists, and integrators. Ovum explores how provider models and enterprise services' requirements shift to build new types of services that justify new network services investment, while keeping in focus the counterstrategies of low-cost commodity services.

Security and resilience to protect enterprise assets
Security requirements are expanding and growing more complex as the enterprise network loses its perimeter and extends across cloud, internet, IoT, and wireless. Enterprises need help from service providers to deliver actionable threat intelligence and measured responses to attacks that threaten to harm their business.

Successful service models for virtualization/NFV adoption
Virtualization is the future, but enterprises must build their own roadmap for effective usage. Ovum monitors the inflection points for providers to orchestrate and manage applications and workloads in a flexible hybrid-IT environment. Ovum also explores the growing role of cloud and data center providers in supporting network connectivity and NFV services.

Shift in network architectures to applications-centricity
Enterprises shifting their IT and network infrastructure and services need to consider the impact on their applications, to ensure business transactions are delivered consistently. There are a range of techniques available to optimize and track applications behavior. Ovum investigates different approaches and their intended enterprise monitoring and performance benefits.
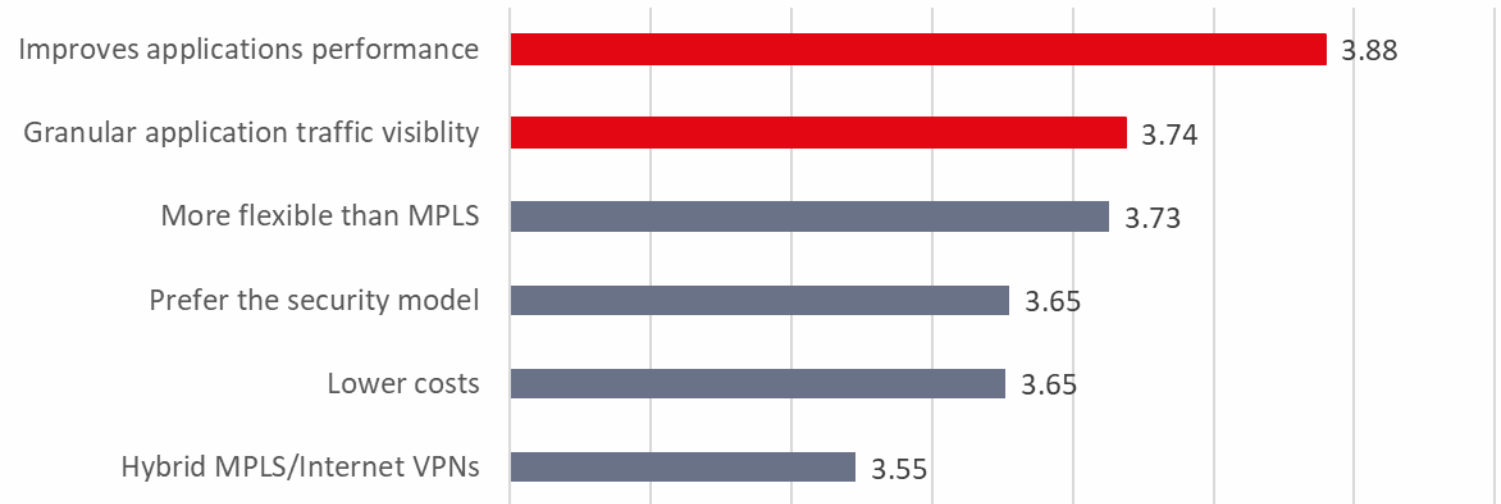
The influence of the enterprise channel
As enterprise solutions grow more complex to build, deliver, and manage, channels and consultants play a crucial market role in matching and supporting enterprise requirements against new network services and practices. We look into the high-value role these solutions providers play in designing and building enterprise networks.

> *IT executives understand that cost savings is a small factor in SD-WAN deployment. Their top incentive is to monitor and track applications performance.*

SD-WAN adoption drivers: It is all about applications now

Perceived enterprise value of SD-WAN features

Feature	Value
Improves applications performance	3.88
Granular application traffic visiblity	3.74
More flexible than MPLS	3.73
Prefer the security model	3.65
Lower costs	3.65
Hybrid MPLS/Internet VPNs	3.55

Source: Ovum

SoHo and SME Services

The Market Challenge

SoHos and SMEs are 99% of the world's enterprises. When they thrive, so do national economies. They also stand in the frontline of 5G monetization for communication service providers. But in today's fierce competitive markets, many stakeholders are vying for control over rising small business expenditure on digital services. Successful service providers must craft outcome-based propositions that span business and technology functions. They must also invest in better customer engagement through online channels, but also strategic partnerships with a range of established and new actors in the evolving B2B ecosystem.

Camille Mendler
Chief Analyst, Enterprise Services

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

Market radar: reports providing comparative analysis of key players in services that SMEs care about including productivity, security and digital marketing.

B2B demographics tool: a data tool comparing the B2B universe across leading economies.

Rapid analysis: the implications of key market happenings.

Themes for 2020
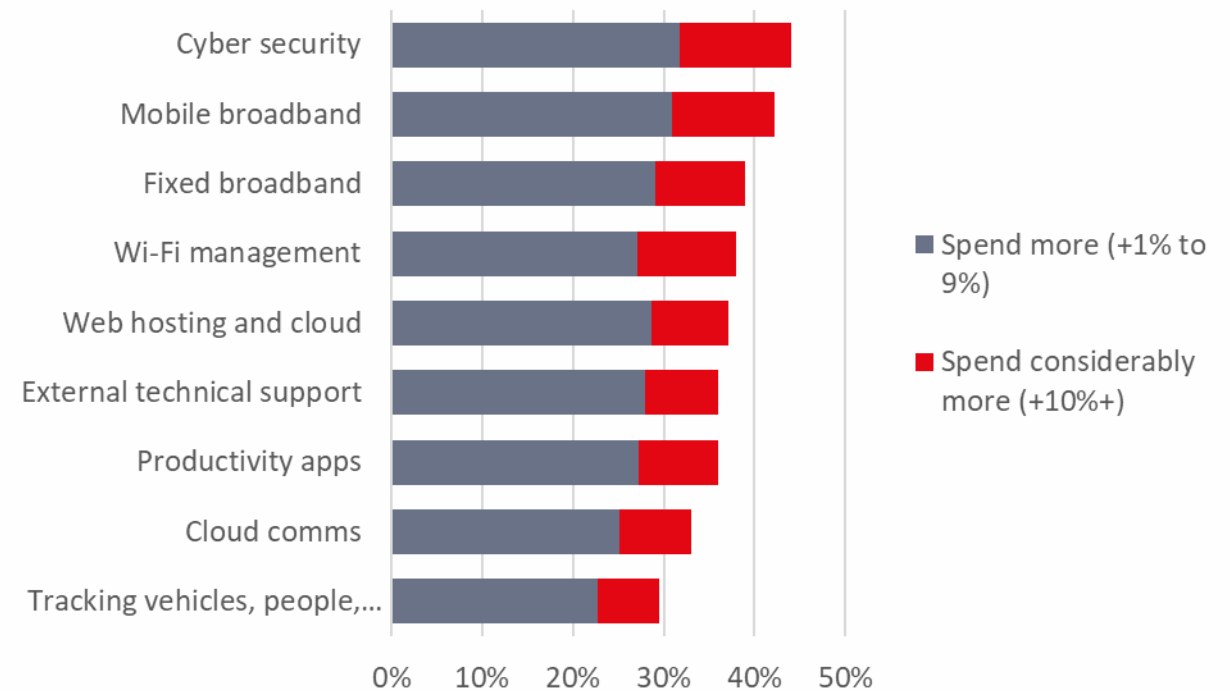
Virtualizing the SME
Small businesses are increasingly dependent on the capex light, as-a-service model. But deploying the right blend of digital services remains a challenge for buyers and sellers alike. Ovum continues to deliver pragmatic guidance which match service bundles – such as cloud apps, collaboration tools, security, SD WAN – to the right customer through ongoing end-user research and supply side and buyer persona analysis.

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.

> *Microenterprises and small and medium-sized enterprises are arguably the most overlooked market actors in the emerging 5G world. What's certain is that their demand for bandwidth is growing: 42% plan to increase broadband expenditure according to Ovum research.*

SoHos and SMEs: Planned budget growth areas

Cyber security
Mobile broadband
Fixed broadband
Wi-Fi management
Web hosting and cloud
External technical support
Productivity apps
Cloud comms
Tracking vehicles, people,...

0%   10%   20%   30%   40%   50%

■ Spend more (+1% to 9%)

■ Spend considerably more (+10%+)

Source: Ovum

N=4,048. Note: next 12 months compared to last 12 months
Source: Ovum 2018/19 SoHo and SME Insights Survey

Workspace Services

The Market Challenge

The introduction of new workplace technology and services goes hand-in-hand with new ways of working. Businesses looking to transform how their employees work and interact with customers want to improve productivity, enhance customer service and reduce costs. Many want partners that can help them make this difficult and complex transition towards a modern way of working. Service providers need to understand how technology is evolving and converging and how to compete in an increasingly complex market. They also need to know who to partner with in order to build a more complete approach. CSPs are likely to face stiff competition from systems integrators, IT service providers, new specialist service providers, and, increasingly, IT vendors redefining themselves as service providers.

Pauline Trotter
Practice Leader

How Ovum helps you

Recognize new opportunities associated with the digital workspace and the ecosystem of technologies and services it encompasses.

Identify the revenue opportunities for the future workspace segment.

Understand how markets are changing and the reasons why.

Understand how competitors are differentiating and the challenge from new entrants.
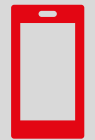
Identify ways to capitalize on the future workspace: how to develop new services, who to partner with, and who to compete with.

What's new for 2020?

End User Workspace Survey – understand the gap between IT and their "customers."

5G forecasts – size the business opportunity for 5G.

Team collaboration forecasts – understand the shifting nature of the UC&C market.

Workspace personas – how to drive user adoption.

Key Deliverables

Enterprise insights – user research on buying points and end users.

Ovum Market Radars – assess and compare vendor approaches in workspace technology.

Ovum Digital Workspace Service provider assessments – for enterprises selecting a service provider partner for workspace services.

Forecasts for enterprise communication services – enterprise mobility services and software; unified communications and team collaboration forecasts; and enterprise 5G.

Use cases – enterprise experience in evaluating, selecting, implementing, and measuring benefits from workspace tools and services.

Market reports and research notes – provide insight on new workspace services, technologies and business models from top providers and new entrants.

Themes for 2020

Changing workstyles and new buying points
With a shift in the way people work, including activity-based working, companies are looking for new ways of segmentation, and help in mapping workstyle to technology, tools and services in order to bring productivity and cost improvements. The shake-up of traditional ways of working is also bringing changes to how businesses buy, with lines of business taking a more active role. This brings new buying points and new ways of selling for providers.

New models for workspace service provision
Digital workspace is a crowded market and CSPs have struggled to find a leading role place within it. Their approach has evolved on top of their connectivity offers, incorporating EMM, UC&C, security, service delivery, and end-user support to build a comprehensive managed service. CSPs are facing a major threat from vendors moving to a service model, from cloud providers and specialists, as well as from SIs and ITSPs. They need a new approach.

The technologies that will help build a smart workspace
The smart workspace is evolving as businesses look to develop an intelligent and collaborative work environment. It is built on a combination of technologies, including UC&C, IoT, AI, mobility, resource management, and experience applications, combined with workplace design and physical spaces. This research looks at emerging approaches to the smart workplace, including emerging specialist providers, and identifies the opportunities for service providers and vendors as completely new types of buyer emerge.

Differentiating through the workspace user experience
Delivering better user experiences is a fundamental objective of the digital workspace. We track how organizations are going about this and the opportunities to provide a more compelling user-first service. Technologies that help people work more productively, flexibly, and in a less siloed fashion, including workplace mobility and workflow automation are key components, as is a more modern approach to support. User experience design must go beyond technology to include processes and practices.

> *We analyze the modern digital workspace in terms of the who (the workforce), the where (their workplace), and the types of capabilities an organization needs (business tools and services) to help them address their business needs.*

Themes for 2020, continued
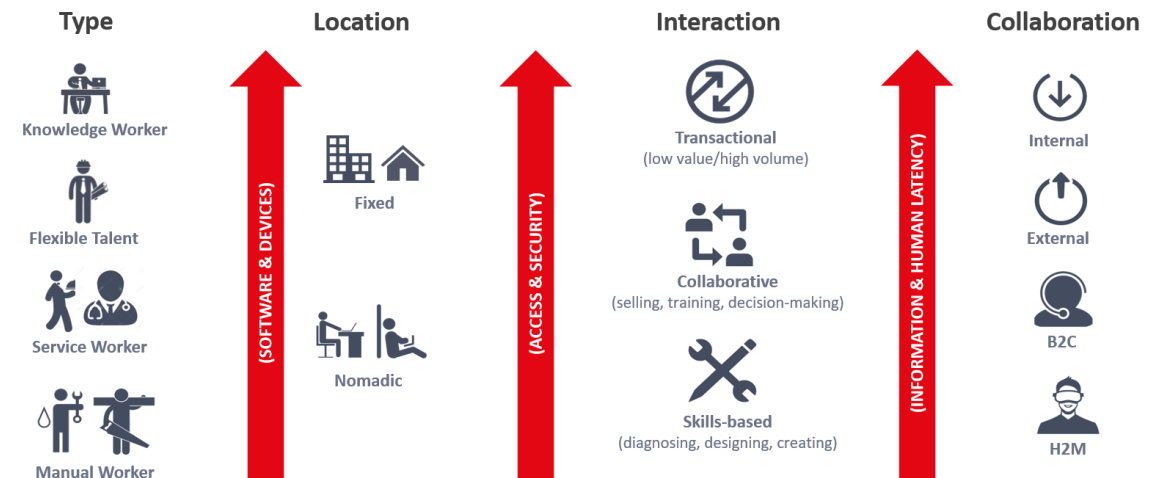
The enterprise 5G opportunity
With a number of 5G launches already and many more on the horizon, many mobile network operators are looking to the business market as the major source of revenue. They need to find ways to monetize their investment in 5G and don't want to fall into the pricing trap of previous generations. There is optimism that the business use cases demonstrated will bring mainstream business adoption. This research will focus on the commercial opportunity and applications for 5G.

The rise and rise of team collaboration and live meetings
To stay competitive and improve profitability, modern organizations need to react rapidly to market dynamics, address customer demands quickly, and improve operational efficiency. This is largely dependent on the way employees collaborate and communicate with themselves (intra-company), their business partners, and their customers (inter-company). As these business problems are better addressed by team collaboration solutions, the value that legacy unified communications and conferencing solutions on offer from service providers today will continue to be undermined.

Workspace Framework

Type	Location	Interaction	Collaboration
Knowledge Worker		Transactional (low value/high volume)	Internal
Flexible Talent	Fixed	Collaborative (selling, training, decision-making)	External
Service Worker		Skills-based (diagnosing, designing, creating)	B2C
Manual Worker	Nomadic		H2M

(SOFTWARE & DEVICES) (ACCESS & SECURITY) (INFORMATION & HUMAN LATENCY)

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