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The research and analysis presented in this report includes research from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that was current as of November, 30, 2018. ISG recognizes that many mergers and acquisitions have taken place since that time but those changes are not reflected in this report.

The lead author for this report is Lutz Peichert. The editor is Jan-Erik Aase. The research analyst is Rahul Basu and the data analyst is Vijayakumar Goud.
EXECUTIVE SUMMARY
SIAM / ITSM 2019

Delivering IT-driven business services is a cornerstone for agility in the digital world. As business units need to improve customer experience day after day to win and retain customers, the number of IT services underpinning business solutions is growing constantly. Most of these services need to come from a variety of outside vendors to meet the requirements companies face in the ever-increasing competitive business environment. More companies understand that running and managing the IT environment today requires an evolution in two directions. First, the operational IT service management activities must evolve from people-driven actions to automated, self-managed and machine-performed executions. And secondly, professional orchestration of the IT supply through a growing number of suppliers is needed to build a robust service ecosystem that can deliver end-to-end business services. IT operations management is evolving into managing a complex environment of service elements and providers that is changing rapidly.

The SIAM/ITSM market is undergoing a fundamental change, moving from very labor-intensive implementations to a highly automated function. Vendors are investing heavily in these automation capabilities and are using available modern technologies to unlock new value in their services. While IT environments have produced management data since they were invented, analytical tools are now used to transform correlated data into information. With this intelligent automation (often referred to as IA), IT can deliver incremental value by integrating the systems of record with the systems of engagement, even in IT itself.

This integration is being used to adopt decisions or to automatically trigger activities based on extensive solution catalogs. User experience is improved by using highly sophisticated natural language processing (NLP) techniques across a large variety of input channels, resulting in a seamless and personalized human-machine experience. Early use cases are being built using machine learning (ML) capabilities to act even faster and to try to prevent incidents from occurring.

Traditionally, IT organizations have kept core infrastructure and application management in-house. With the ever-increasing demand for more agility, a growing number of companies are realizing that they can’t cope with this evolution. Labor shortages, paired with the need for deep knowledge about a whole variety of new and complex technologies being developed, force IT departments to re-think their management approaches. The demand for managed services is growing, and vendors are developing high-tech solutions by highly automating the management tasks required to guarantee a sustainable business IT environment.

Vendors in this market can be separated into three groups. One group comprises the classic vendors that focus on developing feature-rich tool sets that are easy to implement, easy to enrich and can be leveraged by either the IT department or by third-party companies. Even though the IT market is moving toward as-a-service delivery models, there is still a favorable market for on-premises installations. Local legal requirements
and legacy installations still in use are the driving forces here. This market segment is currently dominated by two vendors — ServiceNow and BMC/Remedy. However, there are some smaller players that offer feature-rich products that have gained a certain market share. A second group of vendors consists of consulting and IT service companies that use the platforms from the first group and enhance the base functionality with specific features based on their industry-specific or other specialized knowledge. These vendors range from global IT services companies to local niche players and offer a large variety of services, including implementation consultancy and managed services. The third group has IT service companies that have over time developed feature-rich, proprietary tool sets normally used only in a managed service environment. Examples of companies representing this group include TechM and HCL. This study looks at all of these product solutions independent from the delivery model and provisioning.

Given the high variances in the clients’ maturity regarding SIAM, the success of vendors in the market depends on their ability to demonstrate extensive knowledge of ITSM, SIAM and governance, risk and compliance (GRC) processes. This knowledge needs to feed an internal reference model used to define a robust, agile and secure SIAM framework that combines people, processes and tools seamlessly. In some cases, the reference model is being supplemented with some of the already established models from the market such as IT4IT™ defined by The Open Group. Proprietary assessment and coaching methodologies, together with high transformation skills and a flexible pricing model, are additional and important success factors in this market.

Executive Summary

Even though this market is not extensively large, it is one of the fundamental pillars of every digital transformation strategy. With IT operational budgets still tight, and margins being somewhat skinny, this market is clearly a very attractive area for vendors. Given their strategic position inside client organizations, SIAM/ITSM vendors are playing a key role and are about to get a seat at the internal IT and business decision table. Achieving such a position requires a great deal of trust. This is either being gained through long-term, trusted relationships or through rigid policies set by customers, which force the SIAM provider to be excluded from any other service tower delivery.
Introduction

Definition

Service integration and management (SIAM) is a holistic approach used in managing a dynamic, multivendor, multiservice ecosystem. It is an evolution of the well-known IT service management (ITSM) discipline. While ITSM is historically focused on managing individual service performance, SIAM combines such individual services into an end-to-end, business process-oriented approach. While the integration of the various processes and management disciplines draws more attention, enterprises look for solutions that support such efforts. The solutions can be products to support internal teams or external service providers in taking over the disciplines. This study focuses on products that are available in the market and companies that enhance such tools through extensions and add-ons. It incorporates solutions that are being built by service providers, but it only analyzes the functional capabilities of such tools and solutions and not the service delivery capabilities.
Definition (cont.)

ISG’s studies are intended to anticipate the investigation efforts and buying decisions of typical enterprise clients. These clients will benefit from a study that examines the functional capabilities while contemplating a significant strategy transformation, making infrastructure purchase-versus-rent decisions, supporting the implementation of agile practices or incorporating automation into their environments. The study is comprised of multiple quadrants covering a spectrum of process automation capabilities that an enterprise client would require. Our research investigates several of the tool capabilities (templatized data structures, automated process policies, integration capabilities and standardized outputs) and the support capabilities that provide consulting and managed services in addition to the tool solutions.

Scope of the Report

The scope of the report covers the functionality of products and portfolio of services provided by vendors in the heterogenous SIAM environment. Due to the broad scope and non-standardized SIAM definitions, this report is based on a sub-set of ISG's own SIAM reference model. A key focus is the available automation capability delivered by vendors to automate the more operational tasks inside SIAM. The more sophisticated areas covering governance, risk and compliance (GRC) issues are excluded from this report and may be covered in another ISG Provider Lens™ study.
The four quadrants of the report focus on the processes in a plan-design-manage approach underlined with an information layer feeding the three operational process clusters. The quadrants covered are:

- Business Value and Service Management (BVSM) covers the processes for demand analysis, catalog management, chargeback and customer satisfaction;
- IT Service Design (ITSD) incorporates all service design-related processes ranging from capacity availability management to service validation and deployment;
- IT Service Operation (ITSO) covers all operational processes for event and problem management, including all reporting and improvement activities;
- Service Information Management (SIM) is the underlaying process cluster to gather, store and provide data to the management processes; it includes data homogenization and golden record management inside the configuration management database (CMDB) for supporting asset, configuration and access management.

The key criteria for positioning the different offerings revolve around the following topics:

- Process coverage.
- Level of automation for key process tasks.
- Level of inter-process integration.
- Breadth and depth of supporting services
- Local presence and customer experience.
### ISG Provider Lens™ Quadrant Report | November 2018

**Introduction**

#### Figure 2 ISG's Partial SIAM Process Reference Model

<table>
<thead>
<tr>
<th>BVSM</th>
<th>ITSD</th>
<th>ITSO</th>
<th>SIM</th>
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<tr>
<td><strong>Strategy</strong></td>
<td>Strategy Management</td>
<td>Service Portfolio Management</td>
<td>Enterprise Architecture Management</td>
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<td><strong>Performance Management</strong></td>
<td>Reporting</td>
<td>Service Level Management</td>
<td>Continual Improvement</td>
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<td><strong>Information Management</strong></td>
<td>Knowledge Management</td>
<td>Data Management</td>
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<td>Design Coordination</td>
<td>Availability Management</td>
<td>Capacity Management</td>
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<td><strong>Service Transition</strong></td>
<td>Change Management</td>
<td>Change Evaluation</td>
<td>Serv. Validation &amp; Testing</td>
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<tr>
<td><strong>Service Operation</strong></td>
<td>Event Management</td>
<td>Incident Management</td>
<td>Problem Management</td>
</tr>
</tbody>
</table>

**Figure 2 ISG's Partial SIAM Process Reference Model**
Provider Classifications

The ISG Provider Lens™ quadrants were created using an evaluation matrix containing four segments, where the providers are positioned accordingly.

**Leader**

The “leaders” among the vendors/providers have a highly attractive product and service offering and a very strong market and competitive position; they fulfill all requirements for successful market cultivation. They can be regarded as opinion leaders, providing strategic impulses to the market. They also ensure innovative strength and stability.

**Product Challenger**

The “product challengers” offer a product and service portfolio that provides an above-average coverage of corporate requirements, but are not able to provide the same resources and strengths as the leaders regarding the individual market cultivation categories. Often, this is due to the respective vendor’s size or their weak footprint within the respective target segment.

**Market Challenger**

“Market challengers” are also very competitive, but there is still significant portfolio potential and they clearly lag behind the “leaders”. Often, the market challengers are established vendors that are somewhat slow to address new trends, due to their size and company structure, and have therefore still some potential to optimize their portfolio and increase their attractiveness.

**Contender**

“Contenders” are still lacking mature products and services or sufficient depth and breadth of their offering, while also showing some strengths and improvement potentials in their market cultivation efforts. These vendors are often generalists or niche players.
Provider Classifications (cont.)

Rising Star

Rising Stars are mostly product challengers with high future potential. When receiving the “Rising Star” award, such companies have a promising portfolio, including the required roadmap and an adequate focus on key market trends and customer requirements. Also, the “Rising Star” has an excellent management and understanding of the local market. This award is only given to vendors or service providers that have made extreme progress towards their goals within the last 12 months and are on a good way to reach the leader quadrant within the next 12-24 months, due to their above-average impact and innovative strength.

Not In

This service provider or vendor was not included in this quadrant as ISG could not obtain enough information to position them. This omission does not imply that the service provider or vendor does not provide this service.
### SIAM/ITSM - Quadrant Provider Listing 1 of 1

<table>
<thead>
<tr>
<th>Provider</th>
<th>Business Value &amp; Service Management</th>
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<th>Service Operation &amp; Delivery</th>
<th>Service Design &amp; Transition</th>
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<td>Contender</td>
<td>Market Challenger</td>
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<td>Leader</td>
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<td>Tech Mahindra</td>
<td>Product Challenger</td>
<td>Product Challenger</td>
<td>Product Challenger</td>
<td>Product Challenger</td>
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</tbody>
</table>
Definition

This quadrant addresses the areas of IT service operations and the delivery to the end client.

Service operations is the area of processes that are needed to deliver defined IT services to the end client in a robust manner. The processes focus on three process clusters:

- Event and incident management to automatically identify areas in the environment that need to be managed;
- Problem management, including user helpdesk, to manage the process of finding and fixing problems and communicating with the client;
- Post-event area that includes reporting, service level agreement (SLA) management to ensure quality of the service delivered and to continuously improve that quality.
Facility management is also a part of this process group. Besides the more “classical” automation of process functions, this area of the solution market is currently undergoing a fundamental change due to the enhanced technical capabilities available. Big data and analytics paired with AI and cognitive computing especially offer a wide range of enhanced functionalities that allow for much higher automation. IoT and smart metering plus intelligent sensors in products enable customers to establish programs that will lead to personalized and continuously available services.

ISG’s clients that are currently looking for products and solutions in this market or are already active in that space will double their investments on an average for new technologies like RPA, autonemics, virtual customer agents, NLP and ML.

In this market segment, we see companies:

- That build the tools and provide the solution either through a classical on-premises installation or via SaaS delivery models;
- That build the tools and provide the solution in a pure-play SaaS environment;
- That use existing solutions and provide the implementation services dedicated to this solution;
- That use existing solutions, develop specific extensions and provide implementation services for a variety of solutions.
Observations

This quadrant is the most mature in the study because the operational activities and tasks to deliver IT to its users have the longest history in IT. Software products have been developed ever since the first standardized IT management protocols were defined in 1988. The Leader quadrant in this SIAM/ITSM discipline is dominated by two pure-play product vendors, and one has its roots in the early days. Today, several IT service providers use one or both product suites to build or supplement their own offerings.

Most of the tasks in the processes that form this discipline can be automated using modern technologies that are widely used today. The use of AI, ML or cognitive computing is quite common across all vendors in this study. ISG anticipates an increase in customer needs, so vendors in the market should continue to deliver automation and integration to keep their leading positions. Strong partner networks, especially in technology development, will be a cornerstone for success in the future. Management app stores as part of management solutions will soon become the norm.

U.S. clients benefit from a strong local presence of the various providers as the region is naturally a key market for them. In the recent past, vendors brought more resources than expected, and leaders in the quadrant now have considerable support resources for the clients. With strong innovation plans and ambitious strategies, we expect a high number of interesting management capabilities and use cases.

The other vendors in this space to look for are: Atlassian with Opsgenie and Jira Service Desk, IBM with IBM ITSM, Microfocus with its ITOM platform and SolarWinds’ IT Operations Manager.

- **BMC**, as a pioneer in the IT operations field, earns its leadership position with the two robust product offerings called TrueSight and Helix. By applying AI with patented analytics, the solution can distinguish between normal and abnormal behavior of IT infrastructures. Simplifying the use of the product and the ability to tailor it with no-code development against specific needs make BMC a leader in the quadrant.

- **Capgemini** has used its long-lasting experience in delivering IT services to build a robust solution based on a ServiceNow platform. With the SIAM 2.0 eco-system, Capgemini is focusing on stronger automation for activities in operational and strategic vendor-management processes to ensure high-quality service delivery.
Observations (cont.)

- **Cognizant** gained its leadership position because of its feature-rich ENGagE service management framework that integrates with other solutions developed by the India-based IT service provider. Fully self-developed, the conglomerate of solutions delivers a future-oriented management suite that ensures optimal service delivery quality.

- **HCL**, with its DRYICE™ XaaS Service Management (DRYICE™ XSM), has developed a feature-rich tool set for service operations to provide service aggregation, service orchestration and service lifecycle management capabilities. With the SIAM practice being part of HCL’s Automation & A.I. division, the company demonstrates that these modern technologies are critical for successful service operations in the future.

- **ServiceNow** is one of the most used and modern management solutions today. Its robust platform with compelling case management capabilities is centered around a single database and delivers strong capabilities in the core operations processes — event and incident management. A strong development partner network makes ServiceNow a leader in the quadrant, ensuring further innovations.

- **Cherwell** has been named a Rising Star in this quadrant due to its success in the market in the recent years. Cherwell’s products are feature-rich, easy-to-use and transparently priced, making them well accepted by the user community. While maintaining this pace, Cherwell has the potential to become a leader in the next study.

- **Mindtree** is a well-kept secret in the SIAM/ITSM market, offering a highly automated management solution. Based on its extensive usage of BOT service management, the MWATCH™ platform offers an extensive agent environment to monitor and manage all kinds of assets, even beyond IT. By gaining more market attention, Mindtree can enter the Leader quadrant in future studies.
ISG Provider Lens™ Quadrant Report | November 2018

RISING STAR: MINDTREE

Overview

Founded in 1999, Mindtree has its headquartered in Bengaluru, India, and its international operational headquarters in Warren, NJ. Today, the company has about 20,000 employees serving more than 330 clients in 43 countries. Mindtree’s MWatch™ solution is part of managed service offering to help the company’s customers gain deeper insights and end-to-end perspectives across their infrastructure and applications. Using a highly sophisticated architecture more than 400 BOTs are currently active in the system to automatically act and react on events. With auto discovery, auto remediation and automation of tasks and standard activities, Mindtree can minimize human intervention. Its flexible enables seamless integration with existing tools of customers. In this way Mindtree helps clients to protect their IT investments and avoid organizational change management issues.

The system is ready to manage cloud services and infrastructure from Amazon (AWS) and Microsoft (Azure) using native APIs of CloudWatch and Azure Monitor.

The high dedication to SIAM/ITSM paired with strong investments and a future-enabled architecture make Mindtree a Rising Star in this quadrant.

Strengths

Highly automated through extensive use of BOTs: More than 400 BOTs ranging from auto discovery, event correlation, incident remediation, self-healing to event and log processing BOTs drastically reduce manual intervention.

Open and flexible: Two flexible and adaptive integration interfaces allow the integration of established ITSM solutions to enable MWatch™ to act as the service orchestrator. MWatch™ offers an extensive agent environment to monitor and manage all kinds of assets, even beyond IT and into IoT.

Functional extension with established solutions: Mindtree supplements the capabilities of MWatch™ through an operational offering built on established ITSM platforms (ServiceNow, RemedyForce, and more), thus providing a solution with sophisticated end-to-end automation and orchestration capabilities.

Cost saving for customers: Efficiency increases through automation. The use of native APIs to monitor and manage Azure and AWS helps in saving license fees while delivering advanced monitoring and management capabilities.

Caution

MWATCH™ is not available as a product. It only comes as part of a managed service. To avoid users from switching systems, Mindtree may investigate more SIAM capabilities to be built into the solution.

Mindtree’s MWatch™ integrated service delivery platform delivers highly sophisticated end-to-end automation capabilities for customers that seek an efficient way to operate complex IT infrastructures using an MSP offering.

2019 ISG Provider Lens™ Rising Star

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Methodology
The ISG Provider Lens™ 2019 – SIAM/ITSM research study analyses the relevant software vendors and service providers in the U.S. market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

The study was divided into the following steps:

1. Definition of SIAM/ITSM market
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities & use cases
4. Leverage ISG’s internal databases & advisor knowledge & experience (wherever applicable)
5. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & other sources.
6. Use of the following key evaluation criteria:
   - Strategy & vision
   - Innovation
   - Brand awareness and presence in the market
   - Sales and partner landscape
   - Breadth and depth of portfolio of services offered
   - Technology advancements
Authors and Editors

Lutz Peichert, Author
Executive Advisor, ISG Research

With more than 40 years of IT industry experience, Mr. Peichert has profound knowledge, in particular, in areas such as outsourcing, IT operations, organizational design and IT/Business alignment. In his ISG role as an independent consultant, he supports customers to help them make strategic and tactical decisions and set up and optimize organizations and processes to enable them to leverage IT and service solutions.

Lutz joined ISG in 2017 when ISG acquired Experton Group. From 2014 on Lutz served as a COO at Experton Group responsible for all research and consulting activities. Until mid-2014 Lutz worked as Vice President and Principal Analyst for Forrester Research, where he was responsible for the “Sourcing and Vendor Management” practice and also published Forrester’s “SVM Practice Playbook”. Prior to that he worked 10 years for META Group as a Principal Director within the CIO Consulting Division.

Lutz is an experienced speaker on national and international conferences, such as the National Dutch Outsourcing Conference, the German Computerwoche Forum, the Slovak CIO Conference and other events.

Lutz started his career in the late 1970ies as a system manager at the German Navy. He has a vocational diploma and has completed training as radio and TV technician.
Jan Erik Aase is a director and principal analyst for ISG. He has more than 35 years of collective experience as an enterprise client, a services provider, an ISG advisor and analyst. Jan Erik has overall accountability for the ISG Provider Lens™ reports, including both the buyer-centric archetype reports and the worldwide quadrant reports focused on provider strengths and portfolio attractiveness. He sets the research agenda and ensures the quality and consistency of the Provider Lens™ team.
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