ISG Provider Lens™

Digital Workplace Services

Managed Digital Workplace Services: Large Market

U.S. Market

Quadrant Report

A research report comparing provider strengths, challenges and competitive differentiators

Customized report courtesy of:

DXC.technology

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About this Report

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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 August 31, 2017. ISG recognizes that many mergers and acquisitions have taken place since that time and that those changes are not reflected in this report.

The lead author for this report is Mrinal Rai. The report was edited by Jan Erik Aase. Researchers were Shachi Jain and Bhanwar Chauhan.

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EXECUTIVE SUMMARY

- **Digital workplace is increasingly defined by end users:** Enterprises are moving away from a "one size fits all" approach when it comes to defining workplace strategy. With the consumerization of IT, end user preferences increasingly play the decisive role in workplace transformation initiatives. End users expect a consumer-like experience from their enterprise IT. They use the same devices and, in some cases, the same applications for both personal and office work. End-user behavior toward these assets form the periphery of the digital workplace, which affects end-user behavior within the core enterprise workplace. In the modern digital workplace, the periphery defines the core.

- **Consulting for workplace digital transformation is gaining importance:** Enterprises increasingly are looking for advisory and consultative approaches to adopt new and emerging technologies in their workplace environment. It is easy to be taken by the promises modern technologies like augmented and virtual realities offer. Dedicated consulting will assess the current enterprise environment and advise on the viability of the technology implementation. Consulting also helps identify key end user behaviors, called personas, within an organization. These personas should not be predefined by the organization but should be assessed according to the user's role in the organization and his or her behavior, motivation and pain points.

- **Mobility goes beyond mobile:** Mobile strategy is no longer a separate element of the overall digital workplace strategy but is an integral part of it. Enterprises are acknowledging that offices other than sales and marketing can benefit from a defined mobility strategy. Field worker enablement is a key focus area in many enterprises. Mobility spans beyond just mobile phones. It also covers all handheld and remote assets, including tablets, Internet of Things (IoT) devices and industry-specific field equipment like point of sale (POS) stations in retail and patient record systems in healthcare. Defining an enterprise mobility strategy now goes beyond mobile device management, remote wipe and VIP support. It also covers larger aspects of enterprise mobility, such as mobile application management, business process mobilization, mobility effectiveness assessment and enterprise app stores.

- **Traditional workplace services are becoming line-of-business-centric:** Traditionally, basic workplace services or end-user computing has been considered a siloed and disjointed IT function. However, with mobility penetrating different business functions, workplace services is becoming industry focused and a line-of-business rather than only a CIO responsibility. Service providers are deemphasizing their pride in the scale of devices managed and instead focusing on how well the workplace integrates with the rest of the business.

- **Service desk consolidation is on the rise:** ISG has observed an increase in contracts related to IT service desk consolidation. More and more, large enterprises are trying to consolidate and standardize their IT support and service desk functions. As service desk jobs that require lower-level skills are automated, demand for higher-skilled onsite support is increasing. Enterprises are looking to consolidate their many geographically dispersed service desks into fewer service desks that are more efficient and more easily managed. At the same time, service providers are augmenting their on-site support with solutions like tech cafés.

- **Automation and analytics play key roles in the shift-left approach:** Automation and analytics can reduce the volume of low-level incident tickets and may lead to their complete elimination. Many service providers have developed their own automation platform solutions that can be applied to workplace support functions. These solutions can help reduce and eventually eliminate level 0 and 1 incidents through auto-healing and self-help functionality. Millennial end users would like to solve their IT problems themselves rather than reaching out to service desks, and automation enables this end user behavior. Analytics that can predict system failure based on device or application usage are key to automatic self-healing systems. Automation enables the shift-left approach, helping reduce cost and improve service desk efficiency.

- **Increasing use of intelligent and conversational agents:** Automation powers virtual agents to assist end users. Many services providers deploy intelligent conversational agents or chatbots to interact with and assist end users. An intelligent chatbot can understand end users' problems with devices or applications and can self-heal or send an automated request to the help desk on a user's behalf. It interacts with end users like a human service desk agent and can help in all workplace activities, from on-boarding to off-boarding. Chatbot agents can include "sentiment analysis" to help them gauge end users' feelings by their text entry. Sometimes these automated agents are integrated with other business processes and applications so they can trigger application output or function based on a user's suggestion. It is like conversational commerce where the system directs end users to relevant applications based on the content of the conversations.

- **The digital workforce is growing:** With the increasing use of robotic process automation (RPA), some service providers are offering virtual workers that can handle complete end-to-end tasks. These digital workers can replace low-skilled jobs in many business and IT processes. Using RPA for workplace services support is a growing trend and is expected to pick up pace.

- **Windows 10 and Office 365 help companies move toward the digital workplace:** Windows 10 allows enterprises an approach to unified endpoint management. The new Windows operating system has advanced security mechanisms and is specifically suited for enterprises deploying an any-device-anytime strategy. Most Windows-using enterprises have either already migrated to Windows 10 or are in the process. Similarly, Microsoft's Office 365 suite provides cloud-based tools to improve productivity and collaboration irrespective of device and location. Microsoft's Skype for Business is another popular tool for unified collaboration in the digital workplace. The rapid improvement of features on Windows 10 and Office 365 is accelerating enterprise movement toward a digital workplace environment.

- **BYOx:** The bring-your-own-device (BYOD) policy is now a commonplace phenomenon with almost every organization adopting it in one form or another. Enterprises allow employees to use their own devices, applications and platforms to get their work done. A similar concept of BYOx, in which x can mean an asset or service, also is gaining traction, and the concept of BYOA, in which A means asset, is now prevalent. Technologies like application refactoring or containerization provide ways to securely access applications over any platform or device.

- **Involvement of non-CIO office is enabling the digital workplace:** With increased support for BYOD and increased focus on improving the user experience, enterprises are reexamining how they can empower employees via technology to increase productivity. Many organizations believe they can achieve positive ROI from such enablement. As a result, we see different business offices other than the CIO getting involved in projects related to workplace transformation. For example, the HR department may get involved by developing policies to enhance the user experience, which has benefits for morale and for employee on-boarding and off-boarding. ISG has observed increased involvement of non-IT departments in transformation initiatives. Some organizations may call it workplace transformation while others call it digital strategy.

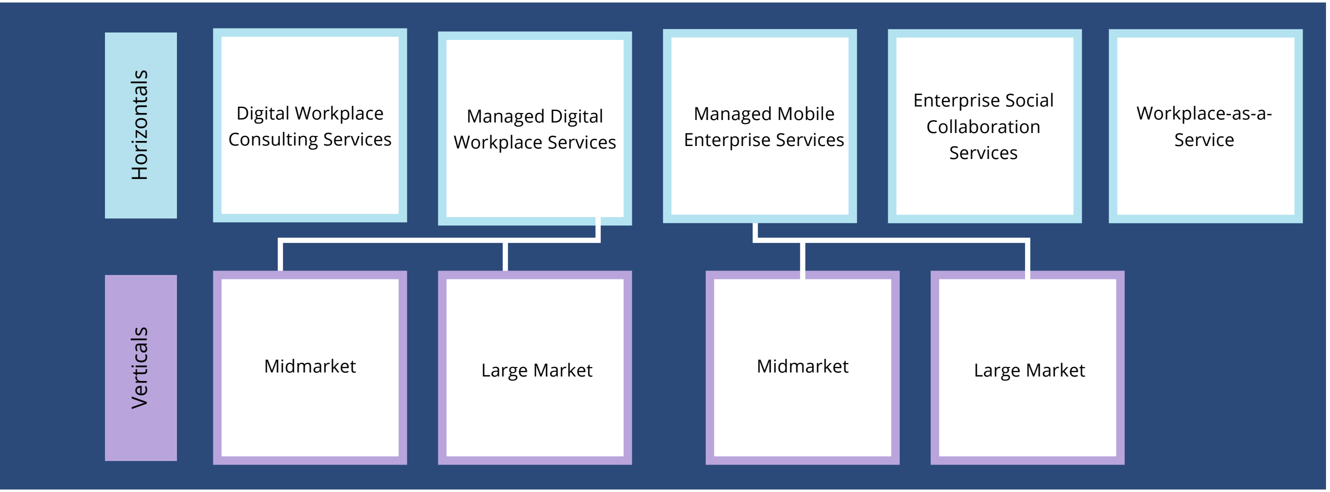
- **VDI is on the rise:** Sophisticated and highly regulated industries have always gravitated to the desktop virtualization approach for the tighter control it enables. With the growing popularity of digital workplace technologies and increasing use of mobility, virtual desktop infrastructure (VDI) has gained more adopters from different industries.

- **Productized offerings gain popularity:** Many service providers are moving toward a productized offering in digital workplace services. These offerings are generally cloud based and are offered in a “pay-as-you-go” or “pay-per-user” model. Users get cloud-based “workspaces,” which can be a single interface for the end user to access all their workplace data and applications. Other managed services around workplace will form the back-end support system of such productized offerings. Many services providers are already offering a mobile version, most of which include a virtual assistant and service desk function at the minimum.

- **Cloud-based content management enables collaboration:** Cloud-based applications for the workplace environment are on the rise. Many organizations are encouraging rather than prohibiting shadow IT to improve productivity. Enterprise IT is seeing cloud-hosted applications as an opportunity instead of a challenge. Enterprise-controlled use of cloud-based collaboration tools like Dropbox and Box can provide an efficient way to support collaboration within a group or organization.

- **Enterprise social collaboration expands:** Enterprise social collaboration has gone beyond the days of Yammer and SharePoint and expanded to include team collaboration elements like those offered by Slack and HipChat. The goal is to offer a comprehensive solution that contains all productivity elements, including productivity apps, social communities, enterprise applications and enterprise IT. "Kill the email" is the philosophy behind increasing team-based collaboration. Mobile applications and accessibility is the key driver in this space. Many service providers are offering consulting and implementation services for tools and technologies that enable enterprise social collaboration. They know it is the next step to reach the digital workplace stage. To reap all the benefits of a digital workplace, enterprises must invest in collaboration through social, wiki, knowledgebase, content management, gamification and microblogging channels.

Introduction



Definition

Digital workplace is the defining model for how end users access and collaborate on their work-related data and applications. It is the conceptualized view of a connected, always-on, collaborative workplace environment that is device- and platform-independent. Digital workplace services cover consulting and managed services around mobility, service desk, enterprise social collaboration and workspace-as-a-service.

Our research studies the investigation efforts and buying decisions of typical enterprise clients. When contemplating a significant strategy transformation, implementing agile practices or incorporating automation into its environment, an enterprise client will benefit from a study that examines an entire ecosystem for an individual service line. Whether that is ADM, workplace services, contact center services,

Definition (cont.)

data center or IoT, each of these focus areas is typically made up of consulting and advisory services, system integration, development and support. Therefore, the ISG studies will be comprised of an analysis of multiple quadrants that cover a variety of services. Vendors are classified into one of four quadrants, but there are multiple quadrant areas included in this report.

This study on digital workplace services includes seven quadrants that represent key services in this space. It includes one quadrant on consulting services and two quadrants on managed services, covering managed workplace services and managed mobile services. The managed services quadrants are further broken into mid- and large-market quadrants. There are also quadrants for enterprise collaboration services and VDI on cloud or cloud workspaces. These quadrants are further defined as follows.

- **Digital workplace consulting:** This quadrant assesses firms that provide consulting services for analyzing the workplace environment and defining a roadmap to transform it.

- **Managed workplace services:** This quadrant assesses providers that deliver managed services around IMAC, service desk and desktop management. It is further divided into two quadrants:
  - **Managed workplace services: Midmarket** assesses providers that deliver managed workplace services to clients with a user base of not more than 2,000.
  - **Managed workplace services: Large market** assesses providers that deliver managed workplace services to clients with a user base larger than 2,000.

Definition (cont.)

- **Managed mobile enterprise services**: This quadrant evaluates providers that deliver managed services related to mobile device management, enterprise mobility and related services. It is further divided into two quadrants:
  - **Managed mobile enterprise: Midmarket** assesses providers that deliver managed mobility services to midmarket clients with a user base of less than 2000.
  - **Managed mobile enterprise: Large market** assesses managed mobility services providers to clients with more than 2000 users.
- **Enterprise social collaboration:** This quadrant assesses providers that deliver consulting and implementation services for enterprise social collaboration.
- **Workspace-as-a-Service:** This quadrant assesses providers that deliver workplace service via VDI or a public/private/hybrid cloud platform.

Provider Classifications

The ISG Provider Lens™ quadrants were created using an evaluation matrix that categorizes services providers into the following four segments.

Leader

The "leaders" among the companies in the category have highly attractive products and services and very strong market and competitive positions; they fulfill all requirements for successful market cultivation. They can be regarded as opinion leaders that are providing strategic impulses to the market. They also ensure their innovative strength and stability.

Product Challenger

While "product challengers" offer a product and service portfolio that provides above-average coverage of corporate requirements, they are not able to provide the same resources and strengths as the leaders. Often, this is due to the respective vendor's size or their weak footprint within the respective target segment.

Market Challenger

"Market challengers" are very competitive, but they still have significant portfolio potential and clearly lag the "leaders." Market challengers often are established vendors that have been somewhat slow to address new trends, perhaps due to their size and company structure, and therefore still have some potential to optimize their portfolios and increase their attractiveness.

Contender

"Contenders" are lacking mature products and services or sufficient depth and breadth of their offering, while they also show some strengths and improvement potential in their market cultivation efforts. These vendors are often generalists or niche players.

Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) who ISG believes has a strong potential to move into the leader's quadrant.

Rising Star

Companies that receive the "Rising Star" award have a promising portfolio, including the required roadmap, and an adequate focus on key market trends and customer requirements. Rising Stars are mostly product challengers with high future potential. A "Rising Star" also has excellent management and understanding of the local market. This award is given only to vendors or service providers that have made substantial progress toward their goals within the last 12 months and are on target to reach the leader quadrant within the next 12 to 24 months, due to their above-average impact and innovation.

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.

Digital Workplace Cross-Quadrant Provider Listing 1 of 3

	Digital Workplace Consulting	Midmarket - Managed Digital Workplace Services	Large Market - Managed Digital Workplace Services	Midmarket – Managed Mobile	Large Market – Managed Mobile	Enterprise Social Collaboration	WaaS
Accenture	Leader	Not In	Not In	Not In	Leader	Leader	Not In
Atos	Product Challenger	Not In	Leader	Not In	Product Challenger	Leader	Product Challenger
AWS	Not In	Not In	Not In	Not In	Not In	Not In	Leader
Bearing Point	Contender	Not In	Not In	Not In	Not In	Not In	Not In
Capgemini	Product Challenger	Not In	Market Challenger	Not In	Rising Star	Rising Star	Not In
Cognizant	Rising Star	Leader	Leader	Leader	Product Challenger	Product Challenger	Market Challenger
CompuCom	Market Challenger	Leader	Leader	Leader	Market Challenger	Not In	Not In
CSS Corp	Not In	Contender	Contender	Not In	Not In	Not In	Not In
Deloitte	Market Challenger	Not In	Not In	Not In	Not In	Not In	Not In
Dimension Data	Contender	Product Challenger	Product Challenger	Product Challenger	Product Challenger	Not In	Rising Star
DXC	Leader	Not In	Leader	Not In	Leader	Leader	Not In
Fujitsu	Product Challenger	Leader	Rising Star	Not In	Product Challenger	Not In	Not In

Digital Workplace Cross-Quadrant Provider Listing 2 of 3

	Digital Workplace Consulting	Midmarket - Managed Digital Workplace Services	Large Market - Managed Digital Workplace Services	Midmarket – Managed Mobile	Large Market – Managed Mobile	Enterprise Social Collaboration	WaaS
Genpact	Contender	Not In	Not In	Not In	Not In	Not In	Not In
Google	Not In	Not In	Not In	Not In	Not In	Not In	Market Challenger
HCL	Leader	Not In	Leader	Not In	Leader	Leader	Rising Star
Hexaware	Product Challenger	Leader	Product Challenger	Rising Star	Product Challenger	Product Challenger	Contender
IBM	Leader	Not In	Leader	Rising Star	Leader	Leader	Leader
Infinite Computer Solutions	Contender	Contender	Contender	Contender	Contender	Not In	Not In
Infosys	Product Challenger	Not In	Product Challenger	Product Challenger	Product Challenger	Not In	Not In
ITC Infotech	Product Challenger	Product Challenger	Product Challenger	Not In	Not In	Not In	Not In
KPIT	Contender	Market Challenger	Contender	Contender	Contender	Contender	Contender
KPMG	Market Challenger	Not In	Not In	Not In	Not In	Not In	Not In
Mphasis	Not In	Market Challenger	Contender	Not In	Not In	Not In	Not In
NIIT	Not In	Contender	Contender	Contender	Contender	Not In	Not In

Digital Workplace Cross-Quadrant Provider Listing 3 of 3

	Digital Workplace Consulting	Midmarket - Managed Digital Workplace Services	Large Market - Managed Digital Workplace Services	Midmarket – Managed Mobile	Large Market – Managed Mobile	Enterprise Social Collaboration	WaaS
NTT DATA	Leader	Not In	Leader	Not In	Market Challenger	Market Challenger	Leader
Pomeroy	Not In	Product Challenger	Product Challenger	Product Challenger	Product Challenger	Not In	Not In
Stefanini	Contender	Leader	Market Challenger	Market Challenger	Contender	Not In	Not In
TCS	Leader	Not In	Leader	Leader	Leader	Leader	Market Challenger
Tech Mahindra	Not In	Market Challenger	Contender	Not In	Not In	Not In	Contender
Unisys	Leader	Not In	Leader	Not In	Leader	Product Challenger	Market Challenger
UST Global	Product Challenger	Not In	Product Challenger	Product Challenger	Product Challenger	Product Challenger	Product Challenger
VMware	Not In	Not In	Not In	Not In	Not In	Not In	Leader
Wipro	Leader	Not In	Leader	Leader	Leader	Market Challenger	Leader
Zensar	Product Challenger	Rising Star	Product Challenger	Product Challenger	Contender	Contender	Contender

Digital Workplace Quadrants

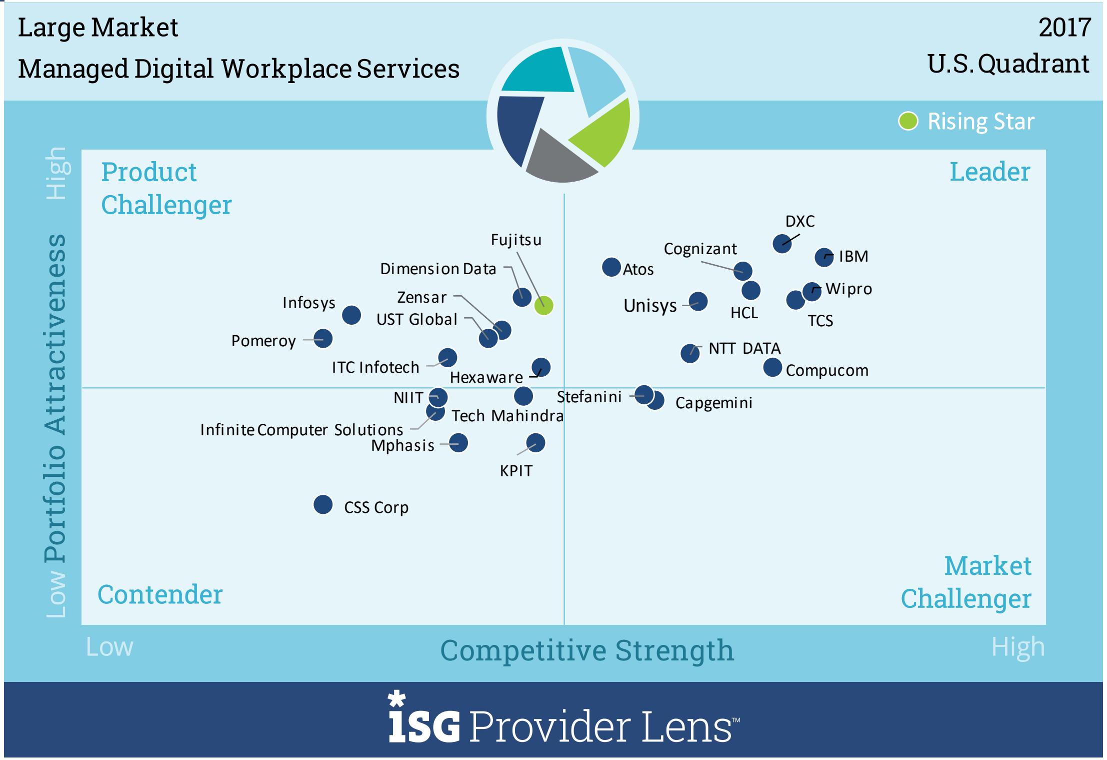
MANAGED DIGITAL WORKPLACE SERVICES – LARGE MARKET

Definition

Managed digital workplace services consist of all managed services around the digital workplace, including all relevant operational services such as service desk, hardware and software maintenance, user administration, troubleshooting, change management, transition management and others.

Enterprises are looking for ways to adopt "shift left" strategies in managing incident tickets through the service desk. Service providers are offering automation-enabled workplace support services to eliminate the need for human intervention for many tasks. The more tasks a service provider can automate with managed services, the greater it can differentiate itself from its competitors. Service provider inclusion of robotic process automation, artificial intelligence and cognitive capabilities each represent a value add in this category.

Large enterprises often have complex workplace environments. Many are looking to reduce IT support costs and enhance the end-user experience via automation. In addition, because of the



Source: ISG Research 2017

MANAGED DIGITAL WORKPLACE SERVICES – LARGE MARKET

Definition (cont.)

complexity of their end-user personas and workplace environment, scale-based parameters like device management and onsite presence also remain important criteria. Large enterprises form the next-generation sourcing clients that need to align their workplace services with their business objectives to create cost advantage and improve productivity.

Observations

- DXC, IBM and Wipro emerge as leaders in this segment. They each have huge operational scale and strong presence in the North America. IBM and Wipro offer highly automated solutions for workplace support services. DXC is focused on digital workplace and has a strong partner base in this domain.
- Cognizant is increasing its market presence with new wins and its future-oriented Constantly Ready Infrastructure services model.
- TCS and HCL have been strong market players in North America. TCS, with its Ignio platform, and HCL, with its DRYiCETM platform, provide agile and automated solutions for workplace management.
- NTT DATA also is a leader in this space because of its scale of operations and strong regional presence from its Dell Services acquisition.
- Unisys is a strong player in managed workplace services. Its onsite support and Tech Café are already popular services in the region.
- CompuCom has a strong presence in the U.S. and North America. Traditionally, it has been a key player in end-user computing. With recent acquisitions, it has developed automation capabilities specific to service desk services.

MANAGED DIGITAL WORKPLACE SERVICES – LARGE MARKET

Observations (cont.)

- Atos is a strong global player in digital workplace services. It has recently acquired and partnered with companies in the artificial intelligence and collaboration space. It has augmented and enhanced its overall digital workplace offering.

- Fujitsu has enhanced its workplace services by including RPA and other digital workforce elements. Although the company has a strong presence in the midmarket, it is positioned as the Rising Star for the large market segment.

DXC TECHNOLOGY

Overview

DXC Technology's workplace services have three principal focus areas: automation in workplace operations, analytics for end-user experience and artificial intelligence for workplace support services. The company has a strong partner ecosystem and has a well-known track record in managed workplace services that was inherited from both its parent companies, Computer Sciences (CSC) and HP.

Strengths

Strong geographic coverage: The newly formed DXC is bigger and has more delivery centers in the U.S. than its two parent companies thanks to its ongoing acquisitions and strategic investments. Today, DXC has presence in 150 countries with almost 70 service desk locations and more than 180 client walk-in centers.

Transformation-centric services with strong cost advantage: DXC offers self-service portals and self-healing technologies, consumer-like walk-in centers, video support kiosks, automated vending solutions, system and incident analytics, cloud-based service desk tools and mobile support applications to make its services more people-centric than technology-centric. Its transformation-oriented services have helped clients achieve cost savings of up to 40 percent and raise end-user satisfaction to 92 percent or higher.

Leverage cognitive intelligence for support services: DXC leverages RPA, analytics and cognitive intelligence to offer services like predictive device management, self-healing toolboxes, smart portals and AI chatbots to identify patterns and improve productivity. These initiatives are part of DXC's effort to reduce its support site count.

Caution

DXC needs to build its client base from legacy CSC and HPE clients that already have separate existing relationships with the parent companies by cautiously cross-selling to existing clients.

DXC has a strong focus on cloud-based, location-independent workplace services; its large existing client base may prevent DXC from pursuing a one-sided VDI approach.

2017 ISG Provider Lens™ Leader

Its massive scale of operations and strategicpartnerships in the U.S. make DXC a leader in managed services for both the traditional and automation-driven collaborative workplace.

Methodology

METHODOLOGY

The research study "ISG Provider Lens™ 2017 - Digital Workplace Services" analyzes the relevant software vendors/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 the Digital Workplace Services target market
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities and use cases
4. Leveraging of ISG's internal databases and advisor knowledge and experience (wherever applicable)
5. Detailed analysis and evaluation of services and service documentation based on the facts and figures received from providers and other sources.
6. Use of the following key evaluation criteria:
   - Strategy and 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

Mrinal Rai, Author

Senior Analyst

Mrinal Rai is a lead analyst for ISG. With nearly ten years of industry experience working with both service providers and consultants, Mrinal has developed expertise in workplace services. His research focuses on the trends and changes in the end-user workplace from the point of view of both technology and business. He covers key areas in the workplace and end-user computing, including the digital workplace, enterprise mobility, BYOD, VDI, digital collaboration, enterprise social software, managed workplace services, service desk and business-oriented IT architecture.

Jan Erik Aase, Editor

Director

Jan Erik Aase is a director and principal analyst for ISG. He has more than thirty-five 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 US-based 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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