

Orange Business Services Integrates with ServiceNow: A Heavy Duty Tie-up for Enterprises Big on Process

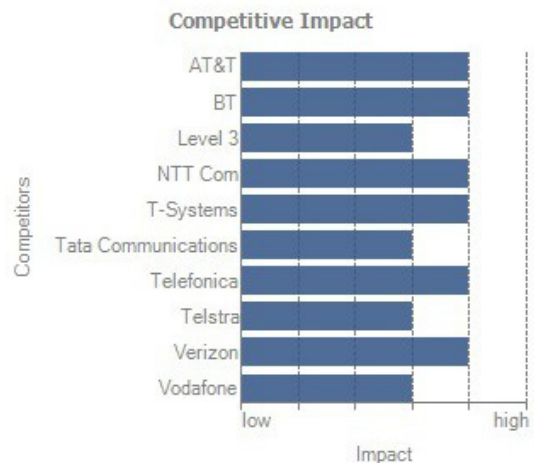


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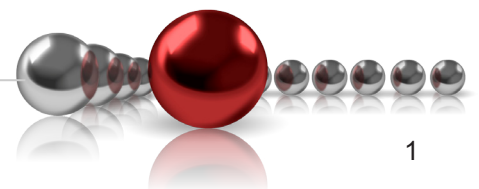
Summary

Competitive Positives

- Service Management Suite integrates Orange Business Services operational information and interfaces directly into the ServiceNow SaaS IT service management/process automation platform.
- ServiceNow and Orange Business Services are both big on adaptable, consistent business processes - highly valued by large enterprises that need to keep order within their large organizations.
- ServiceNow with Service Management Suite can be readily customized to the particular needs of how the enterprise organization works internally.
- Orange Business Services is a well-established ServiceNow customer, and has advisory professional services resources to help its clients with adoption and management.
- Other benefits include a single configuration management database; a single product catalog; and detailed reporting metrics for each process and each step.

Competitive Concerns

- Service Management Suite - an inter-company ITSM implementation by a large network provider - is a new concept and there will likely be lessons learned over time.
- Service Management Suite is valuable, if process is valued by the customer. Smaller enterprises, or simple



structured businesses, won't see the implementation cost vs. value.

■ Event Summary

October 27, 2015 - Orange Business Services is working with ServiceNow to launch Service Management Suite. Enterprises using ServiceNow for IT/infrastructure management receive integrated Orange Business Services information as part of their IT service management (ITSM) environment, including performance and SLA information. The integrated platform is available worldwide and has already been deployed with a number of customers; Orange Business Services offers advisory services to help customers adopting these or other digital transformation services.

■ Analytical Summary

Perspective

Very positive for Orange Business Services, because its ServiceNow integration lets large enterprises manage their global WAN services together with their IT services, integrated together on a single high-value SaaS platform. Network providers that seek ways to improve the user interface and overall experience, still look at management as

an internal project. Instead of competing at re-inventing the wheel, Service Management Suite turns to a higher-value alternative - deep integration with a leading cloud-based IT management toolkit, already used by many of its large enterprise customers.

Vendor Importance

Moderate to Orange Business Services, because the network provider differentiates on the basis of its high-touch customer service and support. Networking companies are familiar with, and many partner with managed network/IT services specialist IPsoft. ServiceNow is a rapidly rising automation specialist (more than 3,000 customers globally, and possibly within reach of US\$1 billion revenues for full-year 2015) by contrast helps large enterprises manage internal processes from the IT department outwards. Orange Business Services participates with large enterprises using ServiceNow to achieve a holistic, end-to-end IT process automation experience.

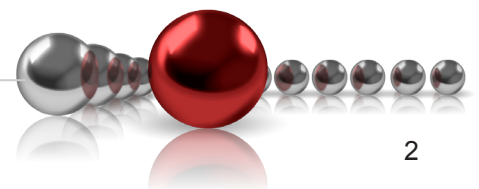
Market Impact

High on global competitors, because Orange Business Services' Service Management Suite opens up a new perspective on how ITSM and IT process automation should work. A number of large providers already use ServiceNow for process automation internally; additionally, many IT integrators/IT service providers deploy ServiceNow for clients. But Orange Business Services has made the connection with regard to ServiceNow's potential to power an ecosystem for large enterprises, and with its Suite it can help enterprises build that process automation ecosystem.

■ Competitive Strengths

Competitive Positives

- Orange Business Services' Service Management Suite integrates operational information from Orange Business Services directly into the ServiceNow SaaS ITSM/process automation platform. ServiceNow has more than 3,000 enterprise customers globally and is growing rapidly. It lets enterprise IT administrators use this tool of choice for a single point of management across their spread of IT and network resources.



- Orange Business Services is big on consistent global business processes, and has been a large ServiceNow client for some time. One of ServiceNow's hallmark benefits is process automation and enforcement. Large enterprises highly value consistent, repeatable, manageable business processes to keep order within their large organizations. The joint Service Management Suite can deliver process automation, management and enforcement in a big way, with Orange Business Services as a native participant in customers' implementations.
- An even bigger process benefit is that the ServiceNow platform is designed to be customized to the particulars of the enterprise organization. Enterprises can custom-map how services are meant to be provisioned, delivered, (re)configured, and how a range of service provider interactions are performed. As a native participant in ServiceNow, Orange Business Services can readily be adapted to exactly how the enterprise wants to interact with partners, to satisfy its internal needs.
- As noted, Orange Business Services has long used the ServiceNow platform itself, and offers digital transformation advisory professional services to help customers implement its Service Management Suite, and even manage it on their behalf. For example, the Orange Business Services could coordinate the ServiceNow platform with an agreed-upon network/business transformation roadmap. The provider has more than 90 ServiceNow experts inside the organization to work with clients.
- Other side benefits include, for example, a single configuration management database and the ability for enterprises to build a single product catalog that incorporates Orange Business Services components - all with easy to access metrics and reports on how well each step of each process performs, to isolate and troubleshoot any issues.

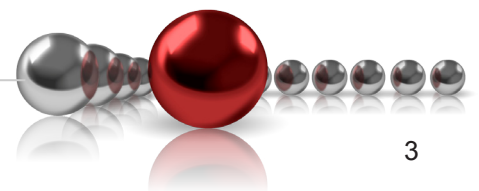
Competitive Weaknesses

Competitive Concerns

- Orange Business Services and ServiceNow are using ITSM on an inter-company basis, mapping provider and customer relationships to each other. This hasn't been done before on a packaged basis by a large network provider. Orange Business Services definitely has a first-mover advantage, but there likely will also be some lessons that can only be learned over time.
- Orange Business Services' Service Management Suite should be highly valued by large enterprises that depend heavily on process to keep their organizations orderly. But there are going to be professional services costs, and managed services costs, for incorporating the Suite to customers' ServiceNow implementations. This may not be valued highly by enterprises that aren't heavily process-dependent, either because they are smaller enterprises, or because their business structure just happens to be relatively simple.

Response & Recommendations

- Orange Business Services has first-mover advantage, and it should take it with any identified large enterprises that use ServiceNow - whether existing customers or prospects currently served by rivals. The trick will be in getting access to the executive(s) that understand what ServiceNow does for the organization: Those may be the best advocates for Service Management Suite. Trying to explain what Orange Business Services has achieved might otherwise just draw blank stares.
- Orange Business Services should marry digital transformation / business transformation efforts through its professional services with Service Management Suite. It can give existing enterprises and prospects a roadmap to use the platform as they turn off legacy and replace with modern service sets. The winning capstone is if the provider can wrap the professional services uplift to assist with Service Management Suite implementation into the long-term business transformation contract.
- Orange Business Services should make sure it can tie as much information as possible from its portfolio



into Service Management Suite: Network and managed network up into the applications stack, mobility, security, unified communications. The provider has a chance to get deeply embedded with very large enterprises, both providing extremely high value to the customer, but also to the point where it would be difficult to take the provider back out of the ServiceNow implementation.

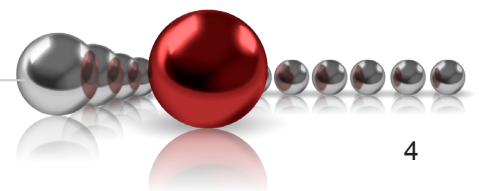
- With Service Management Suite, Orange Business Services might even be able to parlay its primary provider role into managing third-party providers on customers' behalf. If Orange Business Services can import third-party provider information into its own portal, and map customized client processes to its own interactions - some enterprises might just prefer to go with one provider that can communicate and work with them in exactly in their preferred way.
- Other global providers that haven't yet taken a good, long look at ServiceNow, need to have a look at the SaaS provider now, and consider what an inter-company ITSM and automated process interactions might mean for their large enterprise customer relationships. Customer portal APIs, even more conventional e-bonding APIs, will get these providers partway to a relationship with a cloud-based ITSM provider such as ServiceNow. Providers can close much of the remaining gap with professional services, regardless of any direct ServiceNow relationship.
- Providers should test large enterprises, particularly their big customers, for potential interest in ITSM and process automation integration. They can keep a close eye on the evolving messages and focus of Orange Business Services' Service Management Suite, to see how the concepts evolve through lessons learned. They should also review what ITSM platform(s) might make the most sense for integration - perhaps BMC Remedy or Oracle instead of ServiceNow; or else there may be greater interest in third-party network management platform providers such as SolarWinds.

■ Buyer Actions

- Enterprises that should check out Orange Business Services' Service Management Suite are going to be largely self-selecting: They will need to be (a) large enterprises with large budgets; (b) either ServiceNow customers, or considering a technology refresh to cloud-based ITSM; (c) place a high value on process to keep the business organized; and (d) either an Orange Business Services customer, or able to swap providers without inflicting too much internal pain.
- It is possible for enterprises to use the ServiceNow platform to map processes to external providers without their active presence on the SaaS platform. They might connect to the service provider through APIs, or could even put placeholders on process steps that need to be completed manually. Orange Business Services' Service Management Suite is more elegant, but not the only way to achieve some level of process automation with partners.
- ServiceNow ITSM users - users of other cloud-based ITSM platforms - can talk to their existing provider(s) about what it would take to incorporate their customer portal information into an automated platform. Service Management Suite might pressure some providers to develop similar offers; other providers might be adaptable to juggling professional services expenses to develop and deliver to enterprises the level of partner provider automation they want.

■ Analytical Perspective

We are taking a very positive stance on Orange Business Services' launch of Service Management Suite through SaaS provider ServiceNow, because Orange Business Services can meet large enterprise customers on the home turf of ServiceNow's increasingly popular IT service management (ITSM) toolkit - which actually provides a far more diverse range of automation and process management SaaS than just ITSM. Many service providers are still poring over how to build the best enterprise portal and API experience. For many of the 3,000+ global enterprises that are already ServiceNow customers, Orange Business Services can offer a superior customer experience, by integrating into their preferred ServiceNow process automation.



Service Management Suite pulls all Orange Business Services reporting and SLA information into ServiceNow, under a unified configuration management database (CMDB). IT managers can use ServiceNow to control and manage both IT and network services. But even more interesting, the ServiceNow platform is all about formalizing process, and Orange Business Services has the professional services resources to create completely custom processes to align with the way large MNCs work internally. Does a network configuration change require 13 approval steps internally? ServiceNow is designed to map out, build and enforce those procedures, and Orange Business Services is inside the ServiceNow platform, as an integral part of that process. Conversely, is there a way Orange Business Services needs to interact with the client to report an outage?

The customer's ServiceNow instance can map it out to make sure all steps are done by the book. It can't be under-stated: There is immense value in ServiceNow's process mapping and enforcement for huge enterprises to keep internal order and control of their business - and Orange Business Services with Service Management Suite is an active participant in these processes.

If there is a downside, it is that implementation of ServiceNow is an involved engagement. ServiceNow aims to simplify its platform to make some of its process functions accessible directly to enterprises' departments, even if they don't have programmers on staff. But mapping out a global enterprise's business processes across ITSM, infrastructure management, service management all in one place - and then likely adding a transformation roadmap as many companies implement new digital ways of business - will take some professional services uplift. While much cheaper than a custom IT integration engagement, implementing ServiceNow incorporating Orange Business Services will still add up to significant total advisory/consulting and implementation costs. As valued as process and keeping order are in large enterprises, many smaller companies will not see the same level of value.

Other global service providers - particularly those targeting the world's largest MNCs - need to take note of this Orange Business Services/ServiceNow integration. Once again, a cloud-based business model can change the way businesses connect, interact and collaborate with each other. Competitors can count on large enterprise momentum and lengthy contracts to buy time and assess for themselves how they might connect with customers to a common meet-me ITSM/process automation environment. Orange Business Services has powerful messages with Service Management Suite, but there isn't precedent, so other network providers may learn by observation where the enterprise customer value is in integrating with ServiceNow (or another cloud-based ITSM platform). They may learn to home in efficiently on key enterprise functions; or select a different platform (e.g., BMC Remedy 9 Service Management); or it may be enough just to make their customer portals extremely easy to access through third-party ITSM. But large enterprise network providers cannot afford to ignore this new development: they need to study this, just as they needed to review carefully the potential of Salesforce.com to pull together and coordinate internal and external go-to-market efforts, whether they ultimately adopted the platform for that use or not.

