IDC MarketScape: Worldwide Digital Workspace Services 2020 Vendor Assessment

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THIS IDC MARKETSCAPE EXCERPT FEATURES HPE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Digital Workspace Services Vendor Assessment

Source: IDC, 2020

Please see the Appendix for detailed methodology, market definition, and scoring criteria.
IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Digital Workspace Services 2020 Vendor Assessment (Doc # US45407619). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study represents a vendor assessment of the 2020 worldwide digital workspace services market through the IDC MarketScape model. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate the vendor's ascendancy. This IDC MarketScape covers a variety of vendors participating in the worldwide digital workspace services market. This evaluation is based on a comprehensive framework and a set of parameters expected to be most conducive to success in providing digital workspace in both the short term and the long term.

A component of this evaluation is the inclusion of the perceptions of digital workspace services' buyers of both the key characteristics and the capabilities of the vendors evaluated. Buyers were surveyed across all three of IDC's macroregions. Key findings from the evaluation include the following:

- In the context of the plan/build/manage/support service life-cycle framework, buyers were most interested in purchasing build services (31.3%), followed by support (30.7%), manage (22.7%), and plan (15.4%).
- The most commonly reported business challenge/need buyers procure digital workspace services to alleviate were transformation/standardization (46.7%), stability/security (30%), productivity (20%), and training (3.3%).
- The most common skills shortages that buyers are facing were change management/strategic thinking (26.8%), general technical support (21.4%), specific technology knowledge (Office 365, ServiceNow, etc.) (17.9%), customer communication/culture (17.9%), developers/architects (12.5%), and training (3.6%).
- The IT department is still the most common sponsor of digital workspace services projects (65%) versus the LOB (35%).
- The most common solutions bundled into digital workspace services projects were self-service or automated service fulfillment/issue resolution (64.5%), chatbots/virtual assistants (22.6%), cognitive/AI enablement (16.1%), robotic/intelligent automation (horizontal- or persona-specific process bots) (16.1%), and AR/VR-enabled support (e.g., for field staff/frontline employees) (6.5%).

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

Because digital workspace services are such a nascent market, prior to this study IDC did not have a preexisting market share estimate to use for entry criteria. Instead, services vendors with total services revenue of greater than $5 billion globally were invited to participate. However, services vendors that are solely focused on single services markets (i.e., government contractors, telecommunications, and BPO) were excluded from the invitation.
ADVICE FOR TECHNOLOGY BUYERS

▪ **Buyers are beginning to realize they need a digital foundation.** Small prototypes and niche use cases have drummed up significant interest in what is possible with digital workspace services. However, before buyers can implement the most cutting-edge technologies in this space, many are beginning to realize they need to take a step back and ensure they have a solid digital foundation in order to scale these solutions across their organization.

▪ **Productivity is everywhere but the statistics.** Despite the recent years of economic growth in many developed countries, productivity metrics have been trending downward. Commonly dubbed the "productivity paradox," it seems that when new technology is introduced into society, there is a lagging effect as to when it begins to actually help employees become more productive in their daily work life. Digital workspace services are ultimately about services vendors acting as that catalyst that can help enterprises turn their large IT investments into productivity gains within their labor force.

▪ **Sales/distribution networks are important.** Because digital workspace services are about helping enterprises implement technology products, those services vendors that have the strongest sales/distribution networks (i.e., formal relationships with technology product companies) offer a true competitive advantage in the market, as these relationships represent years of deep investment between the two organizations, and are ultimately a reflection of how integrated the two entities are.

▪ **Treating your employees like customers.** Perhaps the greatest lesson learned from digital transformation in the past five years is that customer experience was the true secret sauce that separated great organizations from everyone else. Digital workspace services are about taking those same lessons learned and applying them to the employee experience — ultimately, it is about learning to treat your employees like your customers. Digital workspace services vendors that have developed frameworks that enable them to have contextual understanding of employees alongside a variety of metrics are the vendors that understand this fundamental truth and, ultimately, have been the most successful within the market.

VENDOR SUMMARY PROFILE

This section briefly explains IDC’s key observations resulting in a vendor’s position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of the vendor’s strengths and challenges.

**HPE**

According to IDC analysis and buyer perception, HPE is positioned in the Leaders category in the 2020 IDC MarketScape for worldwide digital workspace services.

**Strengths**

HPE’s advisory, professional, and operational services were brought together to form HPE Pointnext Services, a $7+ billion business that helps customers envision a new operating model and take their businesses to the next level through digital transformation. A key strength of HPE Pointnext Services is its employees, which is a reflection of how closely HPE Pointnext Services’ strategy attracts new skills/employee types that match the skills gaps reported by services firm customers.
HPE Pointnext Services' client references gave the company much credit for its ability to manage vendor staff turnover during a project's lifetime as well as provide appropriate and high-quality resources for a project.

Challenges

Perhaps not so much a challenge but rather a key difference between HPE Pointnext Services and the other vendor cohort in this study is that HPE Pointnext Services has an emphasis on providing digital workspace services that support its technology products. This is in comparison to pure services vendors that seek to grow their digital workspace services business from a technology-agnostic point of view. That is not to say that HPE Pointnext Services does not support non-HPE technology products, which it does, but rather to point out this difference in each vendor's primary motivation.

HPE Pointnext Services' client references felt HPE Pointnext Services could improve its cost-to-value ratio based on its ability to deliver the right value for fee paid as well as provide access to vendor labs and resources to co-innovate prototypes for new solutions based around digital workspace products.

Consider HPE When

Consider HPE if you have an existing investment in HPE's product portfolio and want to further integrate it into your digital workspace services ecosystem by leveraging the services business that knows its own products better than anyone.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor’s current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor’s future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and
interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

**Customer Perceptions of Digital Workspace Services Vendors**

A significant and unique component of this evaluation is the inclusion of the perceptions of digital workspace services' buyers of both the key characteristics and the capabilities of the vendors evaluated. The buyers participating in IDC's *Worldwide Digital Workspace Services Buyer Perception Survey* have partnered with at least one of the participating vendors directly on a digital workspace services project within their company. The survey findings highlight key areas where buyers expect digital workspace services' providers to showcase a range of capabilities. The buyers consider these capabilities a must-have for digital workspace services to be able to fulfill the requirements of many business and IT issues that challenge the buyers.

**Market Definition**

IDC defines digital workspace services as the set of business and IT services that fall under the existing foundation markets outlined in *IDC's Worldwide Services Taxonomy, 2019* (IDC #US44916019, March 2019) and are focused on the plan, build, run, and/or support of digital workspace technology solutions. They are aimed at simplifying the management of the enterprise workspace technology environment, improving productivity through the extensive use of automation, and delivering a superior employee experience.

A digital workspace technology solution is a comprehensive integrated framework of technologies designed to empower employees to get their job done securely and effectively in today's workplace. It is targeted not only to knowledge employees but also to blue-collar, frontline workers and, increasingly, digital workers (RPA/IA bots). In addition, a modern digital workspace environment includes all manner of endpoints – ranging from laptops, desktops, mobile devices at one end of the spectrum to IoT-enabled endpoints including sensors, appliances, and AR/VR devices.

Digital workspace services may include at least the following technology components:

- End-user computing management and security solutions, which includes SCCM, desktop and application virtualization, application delivery and management, unified endpoint management (UEM), content management and file sharing solutions, unified directory and identity access solutions, and endpoint security and DLP solutions
- Integration and support capabilities for enterprise-grade apps addressing productivity, collaboration (including UCaaS), enterprise social networking, and business and customer relationship apps (e.g., ERP and CRM)
- Next-generation integrated service management and digital support services (for HR, IT, and procurement and shared services) including smart ticket generation, automated service request fulfillment, chatbots, and digital assistants for self-service support through a multichannel approach
- Intelligent analytics to track not only the performance of devices, apps, and networks but also, and most importantly, the adoption and usage of apps and devices by employees (The latter helps with change management and to drive employee experience.)
- Intelligent IT/security automation to predict issues causing downtime and proactively reduce incidents or reduce the time to resolve them, which also retains this information via knowledge
management repository to capture, categorize, and proactively reuse solutions to common issues

- Digital workspace framework that supports granular and customizable user personas by functional role/industry/access modes and so forth
- Walk-up kiosks that follow the Apple Genius Bar model, allowing employees to discuss a wide variety of topics, everything from basic troubleshooting of problems to the ideation of the art of the possible with IT experts (These are often complemented by smart lockers/vending machines that allow employees to drop/pickup devices with no or little human interaction.)
- A cloud-agnostic point of view that can leverage the entire on-premises datacenter, private cloud, and public cloud paradigm, depending on the specific use case and the context of the workload

**Employee Experience**

A fundamental part of digital workspace services is relentless attention to improving the employee experience. IDC defines the employee experience as the perception an employee holds of his/her employer based upon all his/her interactions with the employer. Figure 7 provides a visual for this model. The employer provides the employee with an environment that includes everything from basic components like compensation to higher-value components like the corporate mission. The employee then leverages this environment (provided by the employer) to produce output (either products or services) that the employer then sells to its end customers. The employee experience can also be measured on the same low-value/high-value scale, with the employees most elementary needs being money, location, and tools; followed by needs of knowledge and career growth; and concluding with the employee's highest-value need – purpose.

**FIGURE 7**

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**The Employee Experience**

Source: IDC, 2020
Synopsis
This IDC study represents a vendor assessment of the digital workspace services through the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that explain success in the digital workspace services market. This IDC MarketScape covers a variety of vendors participating in the digital workspace services space. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and to one another and highlights the factors expected to be the most influential for success in the market in both the short term and the long term.

"Ultimately, digital workspace services are about helping enterprises treat their employees like their customers in order to drive productivity growth. This IDC MarketScape looks at the entire landscape of digital workspace services vendors to see which vendors are having the most success in driving productivity growth and technology adoption for their customers," says Chad Huston, research manager, Worldwide Services at IDC.
About IDC

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