

Future of Work (Workplace) - Services

A research report comparing provider strengths,
challenges and competitive differentiators



Customized report courtesy of:

Lenovo

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The age of business-focused XLAs and generative AI has begun for workplace

When we analyzed the future of the work and workplace technology services and solutions market in 2022, we remarked that enterprise workplace leaders are at the center stage of the transformation. 2023 has experienced two significant developments so far. First, there is a growing concern about a possible economic slowdown. Second, there have been substantial developments in artificial intelligence technology. These developments, combined with the trends we observed last year, namely growing acceptance of hybrid working and increasing focus on sustainability and a tech-savvy workforce, are largely influencing enterprise workplace technology buying decisions.

Re-evaluating costs

Insights from ISG's recent enterprise survey with U.S. enterprise IT leaders reaffirm the growing concern over a possible economic downturn.

Amid slowdown speculations, discretionary spending is on hold. Clients have suspended investments in the latest technologies, such as metaverse (which generated much hype at the end of last year), if they do not translate into tangible business benefits. Clients have rated high availability and uninterrupted technology access as the most required attributes in their digital workplace service provider. The ability to showcase the economic impact and reduced costs follows this. Interestingly, based on ISG's interaction with many digital workplace service providers, employee experience (EX) takes precedence over cost consideration. This indicates that clients are less interested in enhanced EX initiatives that don't translate into tangible business benefits or cost optimization.

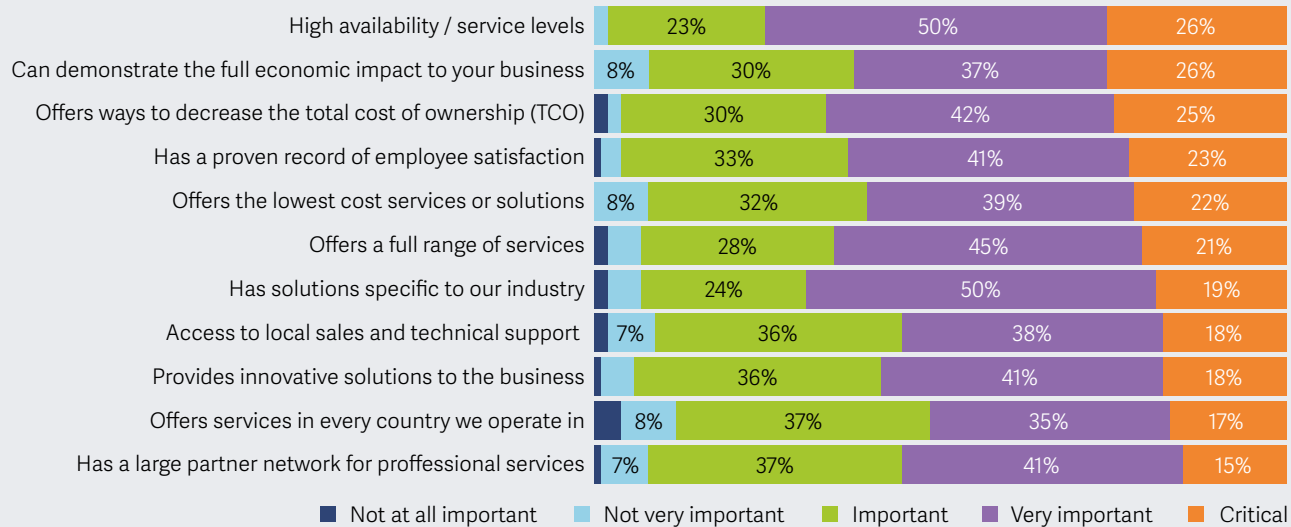
Collaboration and productivity drive hybrid working needs

ISG survey results offer interesting insights about clients' priorities. Clients prioritize employee productivity to decide whether employees should work from the office. They also consider end-customer experience and employee mental health.

With **business transformation-led XLAs** and a **generative AI outlook, 2023** is the year of stabilization.



Figure: How important are the following traits of a digital workplace service provider



Source: ISG Research 2023, n=101 U.S. enterprises

This shows a healthy mix of employee empathy and concerns about the ability to deliver to customers. A happy employee can contribute to achieving better customer experience. U.S. clients understand the relationship between high EX and enhanced CX. Many clients are also redesigning their physical workspaces to foster a more collaborative and participative working environment. According to the survey and other studies, U.S. clients allow about 40 percent of their workforce to work remotely.

Non-IT business functions participate in workplace technology buying decisions

The survey also shows that the human resource function is increasingly playing an important role among U.S. enterprises in determining workplace strategy and evaluating workplace solutions and services. As non-IT business functions increasingly play a significant role in workplace technology buying decisions, leading service providers must design and offer services that cater to them, which is difficult for many traditional end-user technology service providers. However, providers that can cater to both audiences are leading the market.



Increased focus on XLA models, digital technology adoption a key differentiator

ISG's work with enterprise clients has indicated that clients are open and, in some cases, proactive to outsourcing their workplace technology-managed services in an experience level agreement (XLA) model. Clients want to take a phased approach in adopting an XLA model. Many managed digital workplace service providers have had difficulty converting clients engaged through a traditional SLA model to an XLA model. However, most of their new clients currently use the XLA model. Service providers have realized the gap and are working toward mending the bridges by applying appropriate change management and technology adoption nudges. Those who have been successful in bringing their clients at the same or similar level of maturity with respect to experience measurement are leading this year's study.

Generative AI opens many possibilities for the workplace

At the beginning of 2023, generative AI technology took the world by storm. It holds many promises and opportunities to make man and machine work more effectively.

Shortly after the success and popularity of ChatGPT and large language models, major workplace productivity and collaboration solution technology providers started embedding the technology in their product portfolios. Beginning with Microsoft 365 Copilot and Duet AI for Google Workspace, almost all unified communications and collaboration technology providers started implementing generative AI technology in their products. The possibility of providing intelligent and human-like insights based on a large set of language and information distinguishes generative AI from other recent technological innovations. It can potentially bring large technological changes similar to those brought by Apple's iPhone. Both the consumer world and enterprises are adopting the technology simultaneously. Any technology that makes a breakthrough in the consumer world eventually finds its place in the workplace. From supporting IT service desk operations and enhancing users' ability to auto-resolve their IT issues to improving employee productivity while working on different applications, AI has multiple workplace use cases.

Bring-your-own-AI (BYOAI) users using different generative AI technologies may become common in the near future. Workplace technology and service providers may be required to manage and secure technology access. Both enterprise clients and managed workplace service providers are exploring and experimenting with this new powerful technology.

Based on the abovementioned trends, ISG considers the following three main areas of technology investments where clients work with managed service providers.

1. An overarching employee experience service requirement that focuses on providing necessary digital nudging to better define and implement XLAs. This also involves leveraging the latest technologies, such as generative AI and metaverse. Another important aspect of transforming EX is supporting the new smart physical workspace.
2. Extending the end-user technology management to support hybrid and remote working needs and ensuring uninterrupted technology access. This involves proactively managing and correcting IT issues.

3. Managing IT support by enabling user self-help, service desk and onsite support. This service is focused on enabling and enhancing end-user experience.

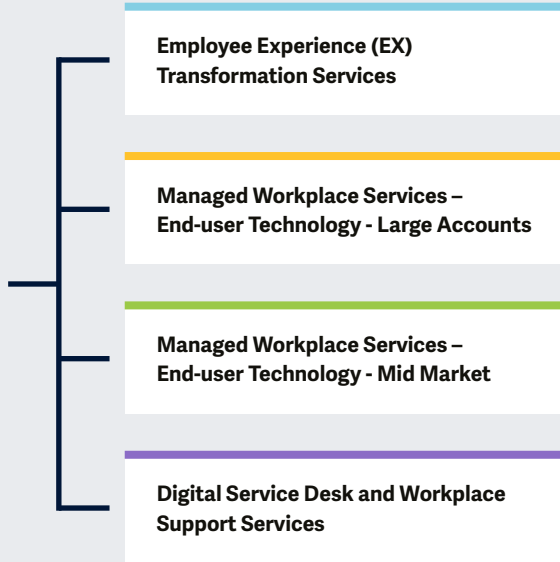
This report dives deep into these three areas of service provider comparisons and highlights providers that stand out with their differentiated offerings.

U.S. clients seek cost optimization, user productivity and a track record of employee experience from their digital workplace service providers.



This study evaluates **MSPs' capabilities** around the key **Future of Work services** across different regions

Simplified Illustration; Source: ISG 2023



Definition

From the future of work perspective, 2023 will be a year of stabilization. After the disruptions and challenges posed by the pandemic world and the “Great Resignation” that followed, global businesses have started adjusting to new realities and acknowledging the importance of employee experience (EX). EX transformation is now every business leader’s priority, along with adapting to changing customer demands, evolving technologies and becoming more conscientious and environmentally focused.

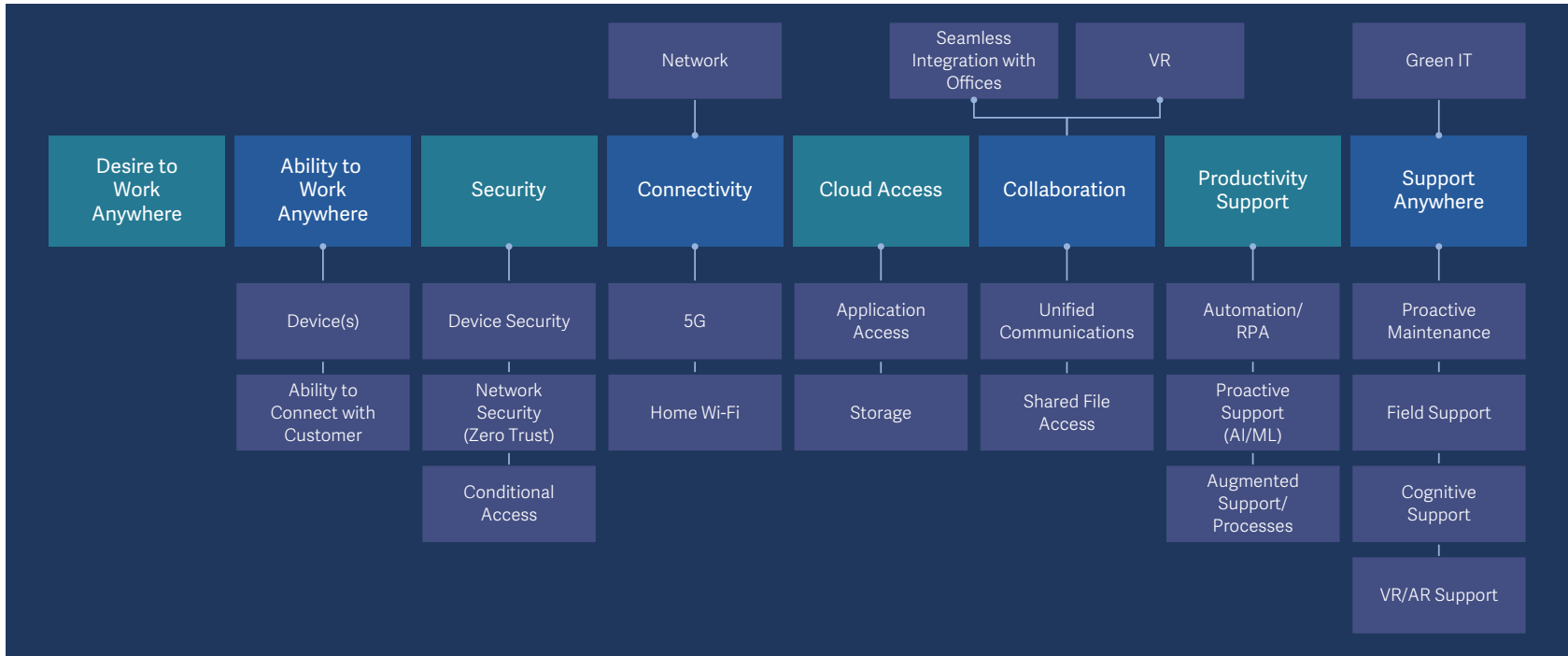
According to the new Future of Work technology landscape, technologies that support work from anywhere are only one of the components shown below.

While other ISG Provider Lens™ research covers the topics of Connectivity and Security, this research will focus on all the other aspects of the above landscape.

The Future of Work services landscape becomes wider as enterprises need assistance implementing and supporting an EX-centric technology model. As new decision makers get involved in tech investments that enable and engage with employees, clients must analyze the capabilities offered by different service providers in underlying technology enablement and maintenance, workplace tech support and overall experience transformation. As organizations take a holistic approach to EX transformation, strategy and consulting become an integral part of the approach. Hence, ISG has decided to merge this area with other services covered in the research this year. Another accompanying research study on technology providers will cover the solutions part for these services.



Figure: Key components of the Future of Work technology landscape





Sweet Spot

Lenovo

Overview

Lenovo, a global Fortune 200 company, has its global headquarters in Beijing, China, and North Carolina, U.S. It operates in over 60 countries and sells its products in more than 180 countries. In FY23, Lenovo generated \$62 billion in revenues with 75,000 employees worldwide. It offers digital workplace solutions services through its Lenovo Services and Solutions Group (SSG).

Key Provider Capabilities

Lenovo's digital workplace solutions offering comprises six core elements: workplace advisory, persona-based configuration, collaboration productivity, managed endpoint, service desk and security services. It possesses strong capabilities to support the end-user technology services needs of large enterprises in the US, as highlighted below:

Strong device management services:

Lenovo started as a managed workplace service provider with its device as a service (DaaS) offering called TruScale DaaS. It also provides managed endpoint services leveraging the Microsoft stack and Jamf partnership to offer a complete mobile device management solution. Lenovo supports a wide range of non-Lenovo devices.

It extends supports for telecom expense management, device kitting, staging and provisioning. Additionally, it provides complete Windows 10/11 modern management leveraging Intune-related capabilities.

LDI: Lenovo Device Intelligence (LDI) is an analytics-led platform that leverages the capabilities of Lakeside SysTrack and Lenovo's own device analytics for monitoring device hardware and the overall digital employee experience (DEX). It offers recommendations and predictive analytics to assist in device-related issues.

Security and collaboration offerings:

Lenovo also provides managed security services, including data protection and security operations center as a service. It also operates network operations

centers to solve network-related issues.

On the collaboration front, Lenovo provides supports for Microsoft and other suites, including implementation, maintenance and physical meeting room solutions.

Benefits Delivered

- **Lenovo reports faster application provisioning, leveraging automation, resulting in a significant improvement in end-user experience for its clients. It notes a substantial reduction in operations costs for clients in the U.S., enabling them to utilize a per-month fee.**
- **Furthermore, Lenovo reports a 40 percent decrease in security management costs and ability to adopt the client's existing tools for endpoint management.**



Lenovo

Sweet Spot

Lenovo is particularly well-suited for large enterprise clients with a large volume of devices and an end-user technology ecosystem to manage.

Enterprise clients looking for a broader digital workplace transformation strategy and employee experience implementation but needing assistance in taking the first step can consider Lenovo for its endpoint management services. This often serves as the entry point for Lenovo to offer its broad, transformation-focused services.

Clients with a high investment in Apple-specific devices and seeking service providers to manage their device estate can benefit from Lenovo's Apple device management capabilities, which are bolstered by its partnership with Jamf.

Future roadmap

Lenovo strongly focuses on next-generation unified endpoint management services, closely tied with endpoint security. The company is actively developing platform-driven security, collaboration, and productivity services. It is also investing in enhancing its automated issue-resolution capabilities and continuously refining them. In addition, Lenovo remains committed to improving and enhancing its experience measurement-focused services.



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Key Provider Capabilities

Service desk services: Digital service desk and workplace support services are key elements of Lenovo's digital workplace services portfolio. It focuses on omnichannel experience using AI, analytics and partnerships. Lenovo's service desk services focus on employee experience using the company's strong credentials in managing devices and applications. It also provides automation and AI-enabled self-help support.

Lenovo DWS platform: Lenovo's Digital Workplace Solutions (DWS) platform provides a single entry point for the end-user interface. It offers personalized concierge services powered by intelligent automation. It also offers a single point of issue resolution using intelligent assistants and human agents. Depending on the user issue, the

platform uses information orchestration to route the resolution via automatic or assisted resolution using ITSM, knowledge management and analytics. It resolves issues needing onsite assistance via field support and an expert Lenovo network.

Global presence: Lenovo has service desk services delivery locations in nine countries, and offers managed service desk operations from 20 countries. It provides support in 15 global languages and 24x7 support services in more than 180 countries.

Benefits Delivered

- **Lenovo reports providing as high as 50 percent of issue resolution through self-help and eliminating 77 percent of incidences related to business applications. It reports 65 percent of users adopt the self-service mode of issue resolution. It showcases examples delivering 20 percent incidences resolution through user self-assisted support.**



Lenovo

Sweet Spot

Lenovo is suited for large enterprise clients with a large volume of devices and an end-user technology ecosystem to manage.

Lenovo offers endpoint management services to enterprise clients seeking a broader digital workplace transformation strategy and employee experience implementation but needing assistance taking the first step. This is usually the entry point for Lenovo to provide its broad transformation-focused services.

Clients with a wide variety of device estate and service desk issues mostly related to devices can consider Lenovo for its service desk services.

Future roadmap

Lenovo focuses on generative AI to enhance its service desk capabilities. It is developing a hyper-personalized support application powered by generative AI technology to support rapid and accurate service intelligence and hyper-personalized service experience. It also includes a reasoning engine to resolve issues interactively.





Appendix

The ISG Provider Lens™ 2023 – Future of Work (Workplace) - Services report 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.

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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 ISG believes to be current as of August 2023, for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

All revenue references are in U.S. dollars (\$US) unless noted.

The study was divided into the following steps:

1. Definition of Future of Work (Workplace) - Services 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. Use of Star of Excellence CX-Data
6. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & other sources.
7. Use of the following key evaluation criteria:
 - * Strategy & vision
 - * Tech Innovation
 - * Brand awareness and presence in the market
 - * Sales and partner landscape
 - * Breadth and depth of portfolio of services offered
 - * CX and Recommendation



Author & Editor Biographies



Lead Analyst

Mrinal Rai
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Mrinal Rai is the Principal Analyst for Digital Workplace and enterprise collaboration. His area of expertise is digital workplace services and enterprise social collaboration both from a technology and business point of view. He covers key areas around the Workplace and End User computing domain viz., modernizing workplace, Enterprise mobility, BYOD, VDI, managed workplace services, service desk and modernizing IT architecture. In Social business collaboration, he focuses on enterprise social software, content collaboration, team collaboration, social media management and chatbot platforms.

He has been with ISG for close to 10 years and has more than 14 years of industry experience. Mrinal works with ISG advisors and clients in engagements related to workplace modernization, social intranet, collaborative workplace, cloud-based VDI, end user computing and service desk. He is also the ISG official media spokesperson in India.



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Sonam Chawla is a senior analyst at ISG where she co-authors and supports Provider Lens™ studies on Microsoft Partner Ecosystem, Future of Work – Services and Solutions, Cybersecurity Solutions and Services. Sonam comes with an experience of over 5 years in market research industry and is skilled in secondary research, report writing and company profiling. Her areas of expertise include digital workplace, enterprise collaboration, employee experience services, and conversational AI.

She supports lead analysts in the research process and authors Enterprise Context and the Global Summary reports, highlighting regional as well as global market trends and insights. In addition, she also handles custom engagement requests from providers and advisors. Prior to this role she has worked as research analyst, where she was responsible for authoring syndicated research reports as well as consulting research projects.





IPL Product Owner

Jan Erik Aase
Partner and Global Head – ISG Provider Lens™

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor.

Now as a research director, principal analyst and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.



iSG Provider Lens™

The iSG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of iSG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while iSG advisors use the reports to validate their own market knowledge and make recommendations to iSG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about iSG Provider Lens™ research, please visit this [webpage](#).

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iSG

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