IDC MarketScape

IDC MarketScape: Worldwide Manufacturing Service Life-Cycle Management Platforms 2022 Vendor Assessment

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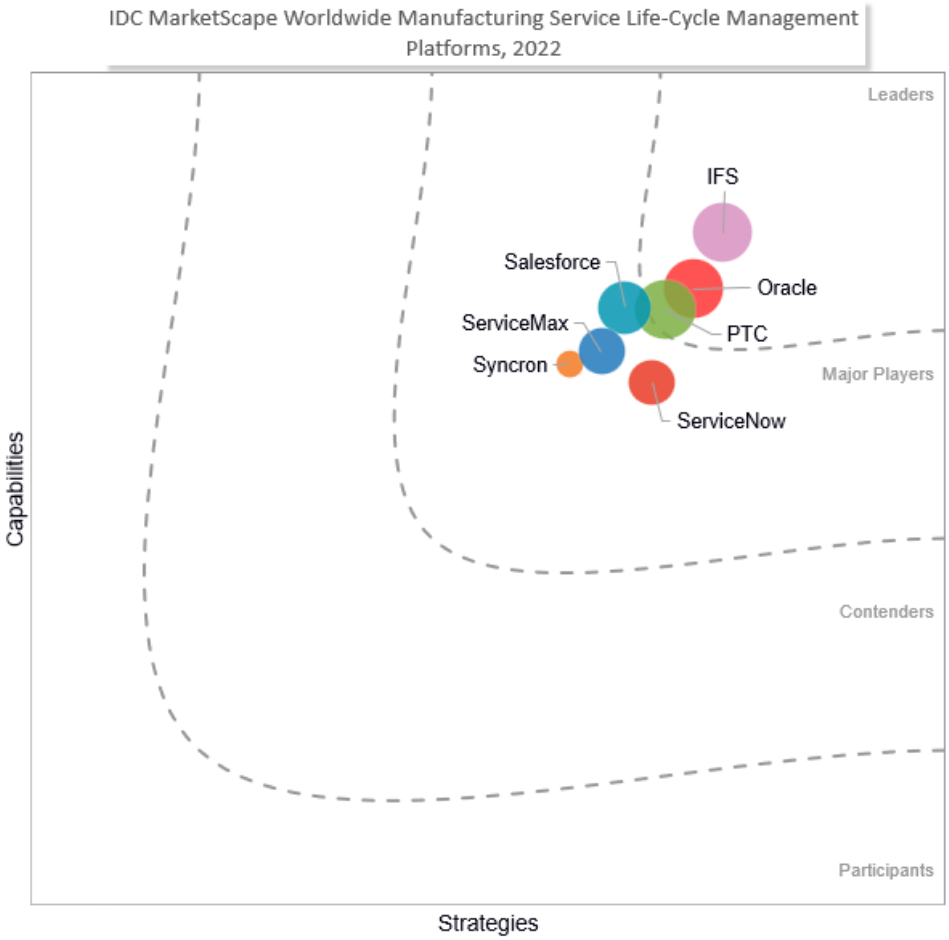
THIS IDC MARKETSCAPE EXCERPT FEATURES: ORACLE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Manufacturing Service Life-Cycle Management Platforms Vendor Assessment



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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 Manufacturing Service Life-Cycle Management Platforms 2022 Vendor Assessment (Doc #US46742721e). 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

The manufacturing industry, both discrete and process, has been in a period of rapid transformation, only accelerating in the past two years. This transformation has been sparked not only by the global COVID-19 pandemic but also by a shift in customer behavior to demand enhanced value through experiences. In this time of change, the service experience has become a key differentiator for manufacturers, whether delivered by their internal service teams, dealers, or third-party partners. Service life-cycle management (SLM) historically was a silo unto itself; however, as its impact has risen, manufacturers are rethinking the processes and technologies that support the service operation. Establishing an enterprise strategy that includes the service operation in a digital transformation (DX) journey has become a priority. Digital investments that focus on solving a single problem for the service operation have given way to strategic initiatives, which improve the service experience as well as inform the enterprise. Service leaders and the IT organization now better understand the need for a focused vision of service-specific technologies and platforms, which can scale across the global service team as well as evolve as customer needs change and service business models develop.

In IDC's May 2021 *Product and Service Innovation Survey* (n = 366, all manufacturers with SLM responsibility), the top drivers for service leaders regarding service life-cycle management efforts were responding faster to product quality and service issues; establishing more capabilities around remote service, collaboration, and resolution; and improving key customer metrics. These three sets of drivers have led service and business leaders to explore digital capabilities that can connect to equipment, assets, and products while ensuring that the service team can make data-driven decisions to improve the service experience at scale. The ability to efficiently solve problems and enhance the customer or operator experience is not only a differentiator but also a driver of improved service margin. Positively impacting these two aspects of the service business is how the service operation becomes a critical part of the enterprise and not just a silo or an afterthought.

This study assesses the capabilities and business strategies of many notable technology vendors in service life-cycle management. Key findings of this service life-cycle management vendor assessment include:

- Service life-cycle management in manufacturing is defined by IDC Manufacturing Insights as the process of servicing a product or an asset through its lifetime. This includes customer support, service request, service planning, service execution and field service, spare parts management, warranty management, and recalls, among other processes. SLM convergence with CRM and product life-cycle management has established a closed loop of innovation for both products and services.

- All seven vendors included in this IDC MarketScape support a broad set of capabilities and functionality across the service life cycle, and each provides different approaches to SLM, subvertical industries within management, and integrations into adjacent enterprise applications and platforms.
- The emergence of partner ecosystems cultivates an environment of shared risk, goals, and outcomes. Ecosystems have allowed vendors to focus on their strengths and leverage a wide range of resources and capabilities for scalable DX.
- The "short list" as provided by this IDC MarketScape highlights the unique capabilities and future strategies of each vendor that aid service leaders, technology buyers, influencers, and partners to successfully and adeptly digitally transform their service operations.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The service market is served by a broad range of vendors that make up a fragmented ecosystem. Individual service processes have often been managed in silos, creating a hand-off relationship for the data that supports the service experience and issue resolution. The emergence of technology vendors that specifically support the end-to-end service life cycle has enabled manufacturers and service organizations to establish a more complete view of issue resolution and service. The vendor inclusion criteria for this study were chosen to accurately reflect the technology providers that are most representative of any given service leader's selection list providing one input of a manufacturer's decision-making process to shorten the vendor evaluation period. The intent of this IDC MarketScape is to focus on those notable vendors that meet the criteria outlined and focus on end-to-end SLM capabilities.

For the purpose of this study, we have focused on those vendors that we deem to be notable because of the following characteristics:

- Vendor must have a service life-cycle management platform that is currently commercially available for the manufacturing and service industries.
- Vendor must have customers in at least three manufacturing subvertical industry segments and in at least two geographic regions.
- Vendor must have served the service life-cycle management market for at least five years.
- Vendor has referenceable manufacturing clients that are using all functionality as previously defined.
- Vendor must have capabilities to support end-to-end service life-cycle management activities and processes.
- Vendor commits to making the required resources available to meet the research timeline.

Each of the seven vendors included in this study meets the aforementioned requirements. There are vendors that offer applications or products for a subset of service processes or support adjacent markets that are notable but not included because they do not meet the "end-to-end requirement" commercially available currently in the manufacturing industry. This may change in the future, and future publications of this study will have additional inclusions.

ADVICE FOR TECHNOLOGY BUYERS

Historically, the service operations consisted of disconnected processes, which resulted in reactions to an issue, asset failure, or product defect. The lack of an integrated approach to data and information led to customers or asset operators with a helpless feeling whereby resolution wasn't guaranteed in a suitable timeline. The emergence of SLM platforms and digital technologies that establish an enterprise data view, which can be shared, analyzed, and acted upon, enables organizations to break down silos of service data and ensure data-driven decisions to enhance the service operation. It is still early days with regard to SLM platforms and integrated data systems as the market has long been fragmented, resulting in applications that solved for point problems. IT buyers and service leaders need to explore strategic DX initiatives for SLM to enable a service experience that can be a differentiator, a revenue driver, and a growth engine for the entire enterprise.

For manufacturers and service organizations intending to digitally transform their service operations and SLM, IDC offers the following recommendations:

- **Evaluate your organizational IT maturity and incorporate SLM into that structure.** Too often, organizations don't take a strategic approach to service-focused technology initiatives. SLM platforms and applications must not be viewed in a vacuum but instead part of an enterprise IT structure. CIOs and IT leaders need to work with the service team to have an integrated approach to service technologies. Consider addressing the following as you navigate your digital journey:
  - Is service the last set of processes to be automated or leading the organization's charge in digital transformation?
  - Do IT deployments languish, or is their adequate IT resources to rapidly implement new technologies?
- **Ensure technology partners support scalable configuration and not just complex customizations to fit needs.** Each manufacturer and service organization is unique, and there is an inclination to want a highly customized solution that solves very specific needs. However, this mindset and relationship with a technology vendor isn't scalable or agile as shifts in market needs evolve over time. Vendors should be able to offer an out-of-the-box platform that can be configured for specific needs but can also quickly evolve as the market changes at a global degree. As you evaluate vendors and platform companies, consider the following:
  - During the evaluation period, do potential technology partners and platform companies show a domain expertise for your industry-specific needs and best practices?
  - Is your business truly unique, and which partners can provide a solution that we can grow with?
- **Rethink the role of service data on the enterprise, and explore how it can be used across business functions.** One of the primary value points of a platform compared with individual point applications is an approach to data that can be easily integrated and acted upon. An SLM platform that has tight interconnectivity with other systems enables usage of data beyond the service silo. A couple of questions to take into consideration are:
  - Do other business functions have access and an interest in leveraging service data to inform their decisions?
  - Can service data be accessed in real time or near real time by teams beyond the service function?

- **Assess service data quality (i.e., accuracy, timeliness) in order to equip the service team with the confidence to use data at the point of service.** An SLM platform is more than another technology; it must be a path to knowledge and insight. Organizations need to establish a data model and platform where information from disparate service processes can be made relevant to a variety of stakeholders, leading to actionable insights. The moment a service person gets poor data, they will be reluctant to rely on information from that source. Data must be accurate, timely, and relevant to be useful. As your organization explores SLM platforms, think about the following:
  - How much service data can be captured autonomously to avoid manual errors or poor quality inputs?
  - Is relevant data available on demand easily, or does the service team have to hunt for the right information to resolve issues efficiently?
- **Prepare for the future of your service business model today, as opposed to solely solving current digital gaps.** The ability to predict which business model will be appropriate for one's organization is a challenge. But it is safe to say that most service organizations will need to prepare for an environment where customers and operators will continue to have more competitive options for their business needs in the future. Manufacturers and service organizations will need to deliver increased value to customers and not just deliver minimum levels of support in a reactive manner. Investing in the technology infrastructure now will enable service businesses the ability to make rapid pivots as needed and not be hamstrung by inflexible systems. As your service leadership team explores SLM offerings, consider the following:
  - How quickly does your market change, and are you able to track the good pulse on your customers or operators?
  - Has the past two years of disruption highlighted gaps in your digital agility?
- **Establish a strategic approach to consistent innovation, which incorporates the front line and customers as well as back-office teams.** Innovation should be an always-on endeavor where everyone within the service operation and all stakeholders have an avenue to incorporate change. SLM platforms need to be able to capture inefficiencies in processes and suggest potential improvements. The service experience is a living set of processes and outcomes, demanding continues evaluation to ensure customers and operators receive quality service experiences as well as attainment of an SLA. A couple of questions to keep in mind are as follows:
  - Do vendor partners bring new innovations to your team, or do you have to tell them what you need resulting in a customization?
  - How quickly can enhancements to the platform be implemented to meet shifts in the market or customer needs?

VENDOR SUMMARY PROFILES

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 each vendor's strengths and challenges.

Oracle

Oracle is positioned in the Leaders category in the 2022 IDC MarketScape for worldwide manufacturing service life-cycle management platforms.

Oracle (NYSE: ORCL) is a publicly traded technology vendor headquartered in Austin, Texas. Oracle has provided end-to-end service life-cycle management capabilities to the service market for over 25 years across the globe, with field service clients in North America, EMEA, Asia/Pacific, and Latin America. Oracle supports customers in farming, construction, and industrial machinery/equipment; high tech; consumer goods; process manufacturing; and service-only companies. Oracle within the service industry has strategic partnerships with Accenture, Deloitte, Infosys, KPMG, Capgemini, and TCS as well as specialized partners such as Apex IT, AmberLeaf, AST, eVerge, Helix, and Inspirage.

Oracle's Enterprise Service Management platform offers a breadth of functionality across the entire service life cycle including customer support, service requests, service planning, field service work order management, service parts planning and management, warranty management and entitlements, service contracts, recalls, augmented reality, customer portals, capacity planning, install base management, remote monitoring and IoT, contact center, and dispatch management, among other capabilities. Oracle also supports cloud technologies in enterprise resource planning, enterprise performance management (EPM), supply chain, HCM, and customer experience (CX). Oracle offers industry-specific applications and platform to support its clients' evolving digital transformation journey.

Quick facts about Oracle are as follows:

- **Employees:** Approximately 135,000 overall
- **Globalization:** Supports clients in more than 55 countries and available in 23 languages
- **Selling partners added in past two years:** 5–10 strategic partners
- **Delivery models supported:** Hosted public cloud and hosted private cloud

Strengths

The Oracle Enterprise Service Management platform has the end-to-end functionality to support service organizations at varying stages of digital maturity. The platform brings together an integrated application architecture that can ensure that service data not only informs service resolution but also helps in decision making across other functions within the business. Oracle has built a culture of innovation, which ensures consistent and continuous improvements of the platform to evolve with the needs of the market. Customer interviews highlighted how Oracle has been able to drive client innovation while partnering to deliver configurable offerings to support specific needs. Manufacturers and service organizations, in this digital age, need to have partners that can provide a clear strategy for both short-term and long-term investments driving new business models and excellent service delivery.

Challenges

The primary challenge facing Oracle is regarding newer options around pricing models for the platform. Manufacturers and service organizations are looking to strengthen partner relationships with technology vendors that align shared goals and risk. Today, pricing structure around risk, outcomes, and profit is still in its infancy. But as clients and prospects desire more dynamism in pricing, technology vendors must adapt to meet these changing needs.

Consider Oracle When

Manufacturers and service organizations in industries such as farming, construction, and industrial machinery/equipment; high tech; consumer goods; process manufacturing; and service-only companies should consider Oracle when they are looking to work with a vendor that has end-to-end service capabilities with the ability to also offer other enterprise applications such as ERP, HCM, and SCM. Silos of data have led to inconsistent customer experiences and operations. Organizations need

to address disconnected IT infrastructure and establish a connected strategic approach to digital transformation. Partners like Oracle offer the tools and platform to support this vision whereby service is a part of a broader enterprise digital journey.

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.

Each of the seven vendors evaluated in this IDC MarketScape has the capabilities to support a broad range of functionalities and services to automate end-to-end service life cycle within the manufacturing and service industries. Across value chains such as discrete, process, high tech, and CPG, these vendors support manufacturers whether they own the service experience and deliver service through dealer, distributor, third-party, or partner models. All vendors in this IDC MarketScape ended up in the Leaders or Major Players category as a result of delivering the breadth and depth of offering to support the complex needs of the service life cycle and the innovations necessary to aid companies in digital transformation.

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.

Market Definition

IDC Manufacturing Insights defines service life-cycle management as the process of servicing a product through its lifetime. This includes customer support, service request, service planning, service execution and field service, spare parts management, warranty management, and recalls. The platforms that automate the aforementioned processes should be commercially viable as a standalone

offering with the ability to integrate into a broader IT infrastructure of enterprise applications. The intent of this IDC MarketScape is to primarily focus on those notable vendors with end-to-end service functionality that can support the unique requirements of the manufacturing and adjacent service and maintenance industries. Included in this IDC MarketScape are providers with offerings for manufacturing, which includes product-centric and asset-centric organizations across four distinct value chains:

- **Asset-oriented value chain (AOVC):** Industries include chemicals, metals, and paper and pulp.
- **Brand-oriented value chain (BOVC):** Industries include consumer packaged goods, food and beverage, and fashion.
- **Engineering-oriented value chain (EOVC):** Industries include automotive, aerospace and defense, and farming, construction, and industrial machinery.
- **Technology-oriented value chain (TOVC):** Industries include electronics, semiconductors, high tech, and medical devices.

LEARN MORE

Related Research

- *IDC MarketScape: Worldwide Manufacturing Warranty and Service Contract Management Applications 2022 Vendor Assessment* (IDC #US46743021, January 2022)
- *IDC MarketScape: Worldwide Manufacturing Field Service Management Applications 2021-2022 Vendor Assessment* (IDC #US46742521, December 2021)
- *IDC MarketScape: Worldwide Manufacturing Service Parts Management Applications 2021-2022 Vendor Assessment* (IDC #US46742821, December 2021)
- *IDC FutureScape: Worldwide Manufacturing Product and Service Innovation 2022 Predictions* (IDC #US47219521, October 2021)
- *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2021: Engineering-Oriented Value Chains in the Manufacturing Industry* (IDC #US47994120, August 2021)
- *Product and Service Innovation Survey Report* (IDC #US46592621, July 2021)
- *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2021: Brand-Oriented Value Chains in the Manufacturing Industry* (IDC #US47991020, June 2021)
- *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2021: Technology-Oriented Value Chains in the Manufacturing Industry* (IDC #US47960221, June 2021)
- *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2021: Asset-Oriented Value Chains in the Manufacturing Industry* (IDC #US47884121, June 2021)
- *IDC TechScape: Worldwide Service Life-Cycle Management and Servitization Optimization in Manufacturing, 2020* (IDC #US44624120, November 2020)

Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of technology vendors participating in the service life cycle in the manufacturing and service industries.

"The service operation must become an integral part of the enterprise digital transformation strategy," says Aly Pinder, program director, Service Innovation and Connected Products at IDC. "Service, maintenance, installation, repair, and remote interactions have become an opportunity to engage with

customers in a differentiable way demanding a technology platform that can support real-time insights and on-demand knowledge at the point of service. Manufacturers and service organizations need tools and a platform that establish an integrated data flow and not point, siloed offerings."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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