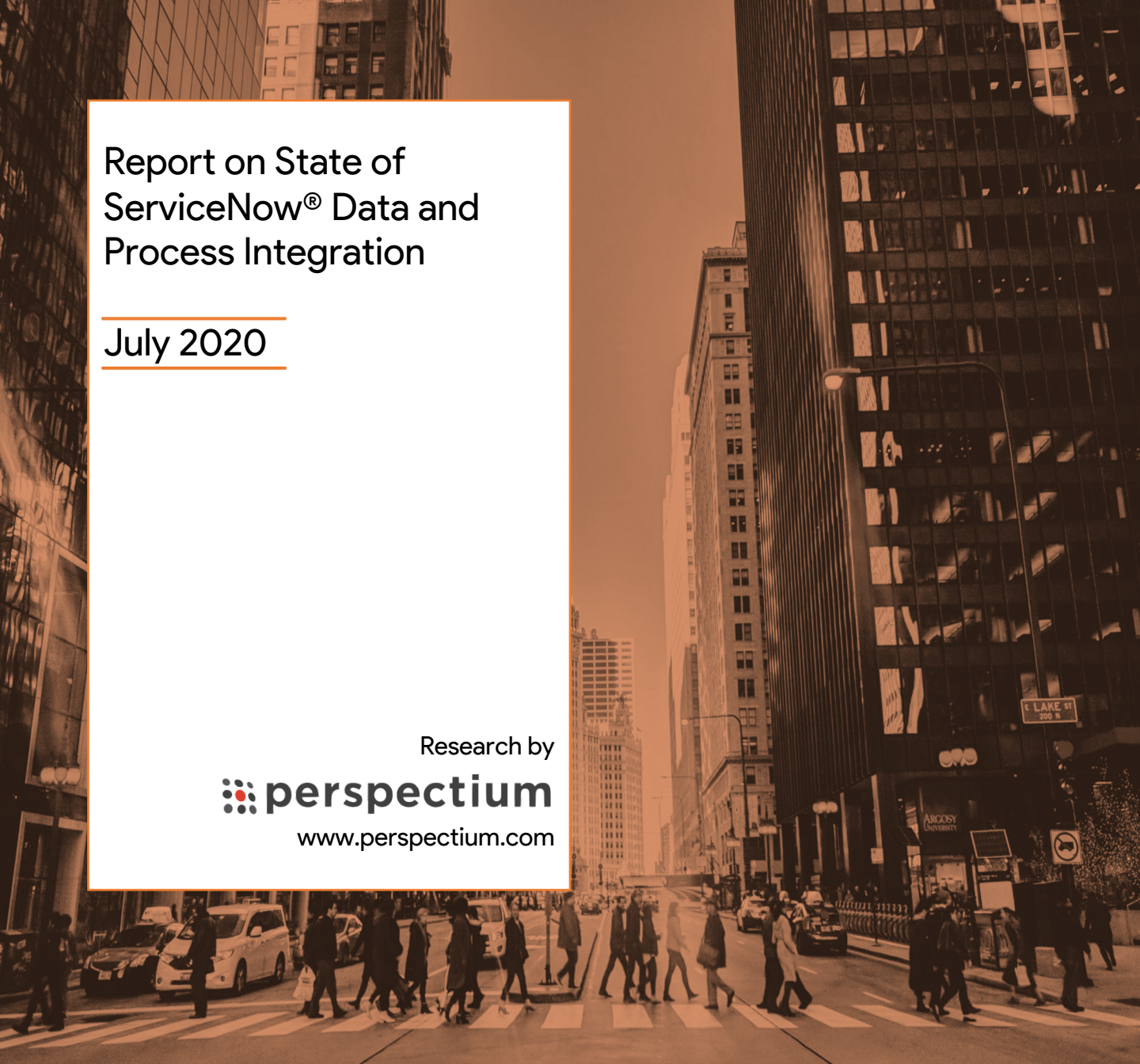




Report on State of ServiceNow® Data and Process Integration

July 2020

Research by

 **perspectium**
www.perspectium.com

*Investigating the needs and
practices of getting data and
work processes “un-silo-ed”
from ServiceNow applications.*

Introduction

The one-way SaaS silo

Increasingly, enterprises and organizations are using ServiceNow to run not only the work of IT but also other service-oriented departments, such as HR, Legal, Facilities, Security Operations, and more. Many are even using ServiceNow to manage customer-facing assets and digital operations, including commerce websites and media hubs. ServiceNow is becoming a standard for managing work within the company, enabling new levels of visibility, collaboration, accountability and efficiency. A growing list of companies say they run their business on ServiceNow.

For many, there is tremendous gold to be mined from their ServiceNow instance to derive knowledge, understanding and insight

As more assets, operations, people and practices are managed through use of ServiceNow, the data inside becomes increasingly more valuable for reporting, analytics and uses of machine learning or artificial intelligence (AI). At a minimum, companies want to evaluate the effectiveness with KPIs. Others want to drive continuous improvement through a detailed understanding of the operational data. Some are beginning to develop predictive models to anticipate problems and minimize them before they become significant. Yet others want to merge data from ServiceNow applications with data from other business applications to get a more complete picture of operations. For many, there is tremendous gold to be mined from their ServiceNow instance to derive knowledge, understanding and insight.

While ServiceNow provides many options for reporting and quality features for analytics, many companies will want to use their preferred tools or data platforms, integrate with other corporate data or find the provided capabilities inadequate for their needs.

At the same time, many organizations want to connect ServiceNow work processes to other instances of ServiceNow or other applications for seamless operations. Some depend on a service provider for various capabilities and linking their instance to the service providers is important.

Unfortunately, like most SaaS applications, ServiceNow is primarily designed to capture data or have data flow into it. Getting data or processes out can be more challenging.

The Findings

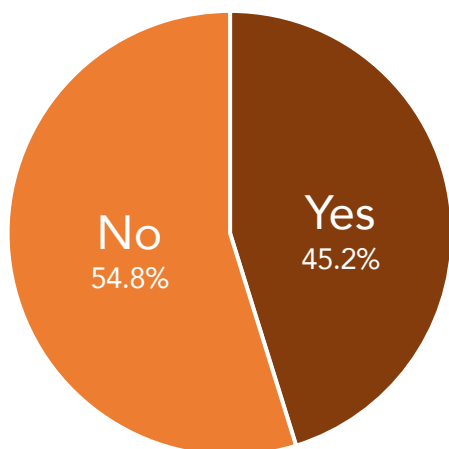
Between mid-April and mid-May 2020, Perspectium conducted an online survey of ServiceNow customers responsible for data or analytics. Of these...

- 51% had one production instance of ServiceNow
- 14% had two production instances of ServiceNow
- 11% had three production instances of ServiceNow
- 24% had four or more production instances

This means that nearly half (49%) of the respondents had two or more instances, indicating that their company size or complexity was large and/or that they had multifaceted use of ServiceNow. 35% of respondents reported that they had three or more instances.

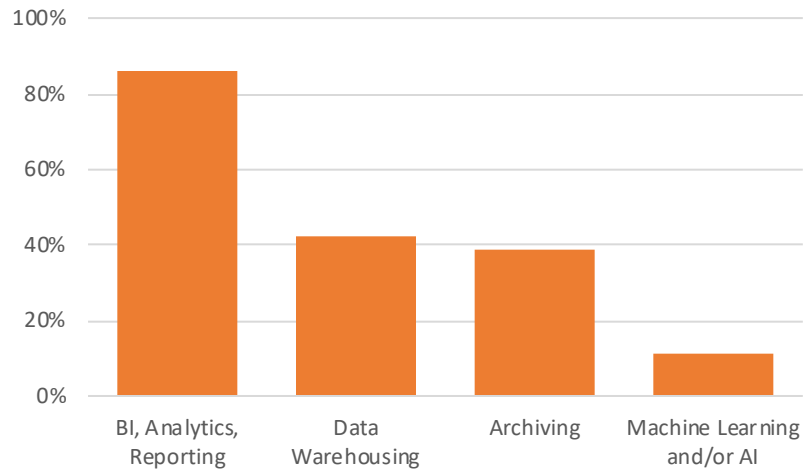
Land of Data Lakes

- 45% of companies overall use an integration to move or replicate ServiceNow data to an external storage repository, such as a data warehouse.
- 59% of companies with three or more instances reported using an integration to move or replicate ServiceNow data to an external storage repository.



Do you currently use an integration to replicate ServiceNow data to an external data repository such as a data warehouse?

Why move data to external data repositories?



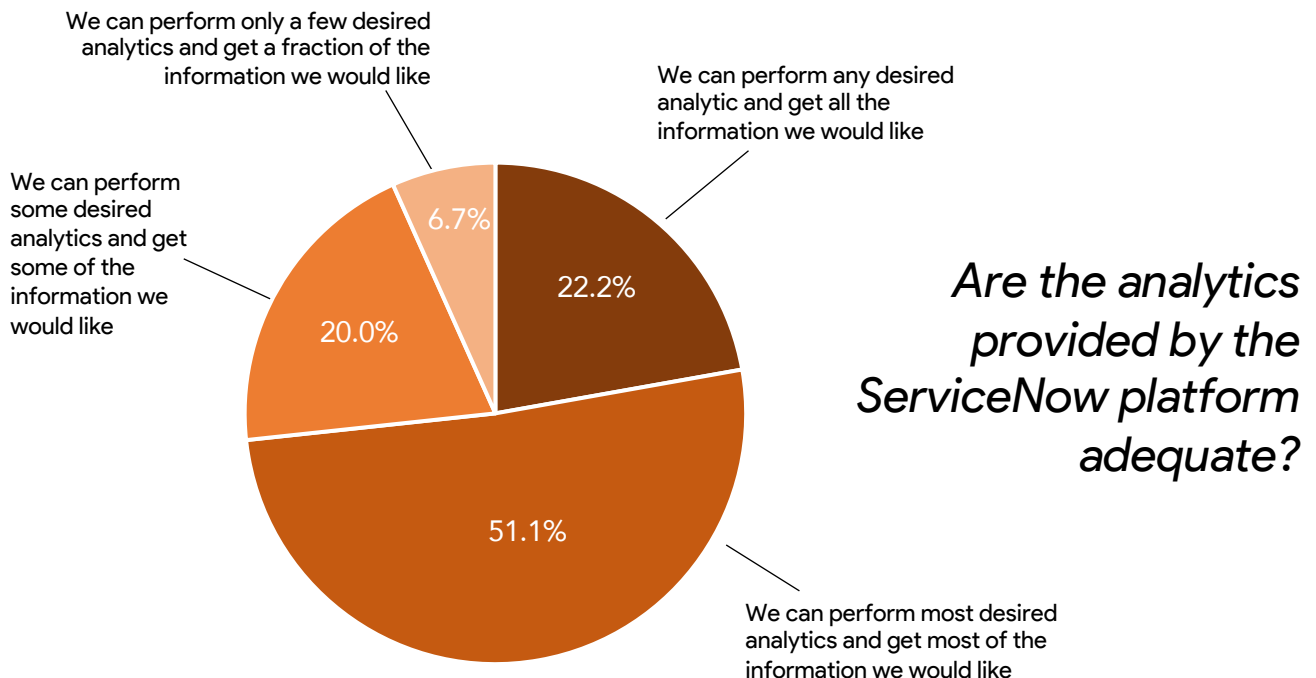
86% reported this was for BI/analytics or reporting

42% for data warehousing

39% for archiving

11% for machine learning/AI

Those with three or more instances (i.e. larger companies or ones with broader use of ServiceNow) reported similar reasons, except machine learning increased to 19%. This same shift was also true of customers that use ServiceNow for external customer-facing jobs.



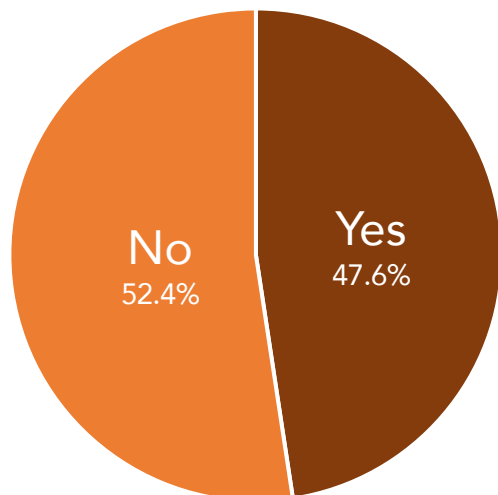
So, are the inbuilt ServiceNow analytics inadequate? Not necessarily. 73% reported that they could do most or all the analytics they needed in ServiceNow. 20% reported they could do only some of the analytics within ServiceNow, and 7% could only perform a fraction of what they needed.

Presumably, customers had other reasons for wanting to perform analytics outside of ServiceNow, perhaps to utilize a favored tool or one that the company has standardized on? Perhaps to integrate with other analytics and reporting? Perhaps to make the data more easily available for other groups or individuals within their company to perform analytics on data from ServiceNow instances?

Connecting to Third Parties, the Old-Fashioned Way

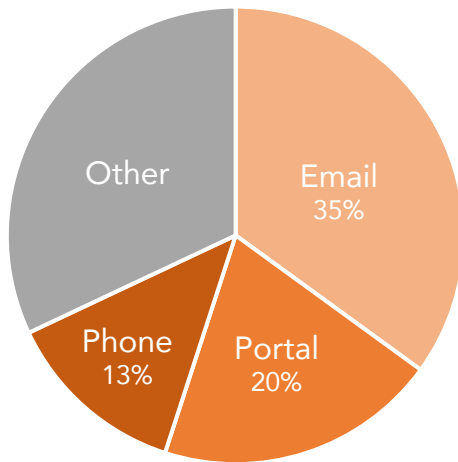
48% of companies overall said that they have a business need to exchange information from their ServiceNow instance to a third-party instance, such as that of a partner, customer or service provider. This number went to 64% among customers that used ServiceNow for customer-facing processes and 59% among customers with three or more production instances.

Do you have a business need to exchange information between ServiceNow and a third-party?



Connecting to third parties and integrating ServiceNow data and processes to another instance enables seamless services, more comprehensive reporting and analytics and automation fulfillment of processes, including incidents, problems and changes. Despite the importance and value of these integrations, a remarkably high number of companies relied

on manual “re-keying” means of transferring data, namely email, separate service provider portals and phone calls.



How do you exchange data between your ServiceNow apps and third-parties?

It turns out that manual means of data exchange is not fully mutually exclusive with integrations, indicating that companies experience deficiencies with their integrations.

- 73% used an integration developed in-house
- 23% used an integration from another source

In customers with three or more production instances, phone call data exchange disappeared altogether, and emails or re-keying through a separate portal dropped.

- 23% used email
- 12% used portals
- 0% used phone calls
- 77% used an integration developed in-house
- 29% used an integration from another source

Oddly, customers who used ServiceNow for external customer-facing (rather than internal) processes like *customer service and support* reported an increase in the use of emails and phone calls over the overall results for the survey:

- 39% used email
- 26% used portals
- 22% used phone calls
- 78% used an integration developed in-house
- 26% used an integration from another source

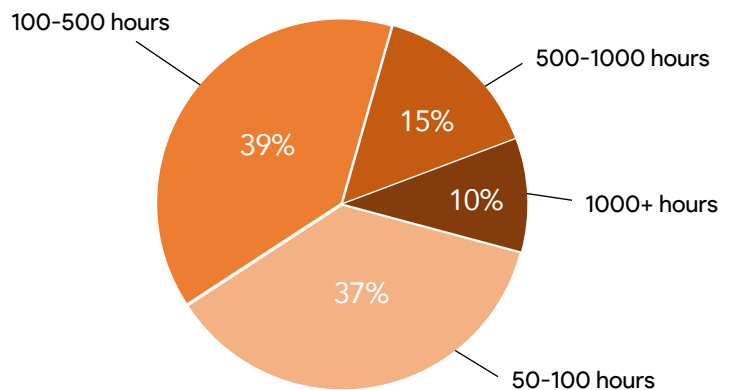
Manual means are time-consuming, error-prone and suffer considerable lag time.

- 72% spend at least two hours per week re-keying or conveying data manually
- 43% spent over five hours each week re-keying data

What We Have Here is a Failure to Integrate

Integrations between ServiceNow and external data stores or other instances or applications are time-consuming, technically difficult, prone to mistakes and expensive. To maintain them on an ongoing basis is also equally time-consuming, difficult, mistake prone and expensive. Many companies do not realize or consider the challenges with ongoing maintenance of integrations.

How long does it take you to develop an integration with a ServiceNow app?

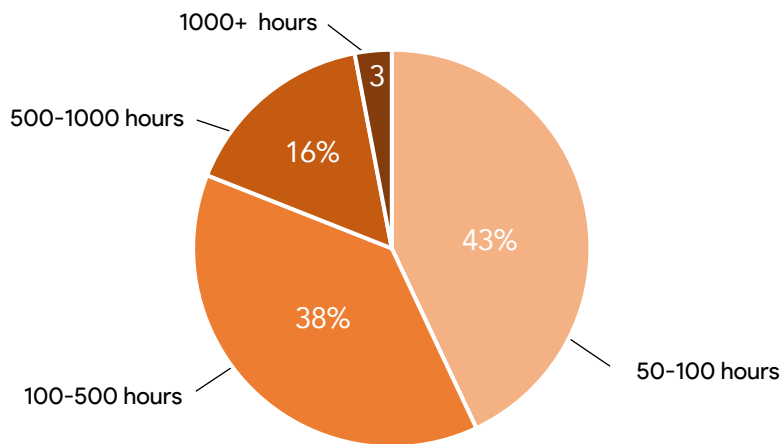


This means that 25% of respondents spend over 500 hours developing each integration. At an average developer cost of \$170/hour (plus testing), this becomes expensive very quickly.

Integration Maintenance Takes as Much Work as Development

The cost or amount of time and effort to maintain an integration is roughly the equivalent of what it takes to develop an integration in the first place, according to the survey. Integrations often break whenever there is a change on either end. In addition, requirements for integrations also change. Both cases require substantial development work. Maintenance is required for application upgrades, infrastructure changes, process improvements, monitoring/troubleshooting, support, and other changes.

The ongoing cost of maintenance is often overlooked and not considered when determining an integration plan. In addition, it is often difficult to assign specific responsibility for maintaining an integration. Often, an integration is developed primarily by one person. If that person leaves the organization or is no longer available, maintaining the integration becomes *even more* difficult. Someone new to the integration must figure out how it functions and how it treats data. This can be a significant task.



How much time is spent annually maintaining each integration?

About the Survey

The survey was conducted by Perspective to a list of confirmed ServiceNow customers. There were 84 respondents that completed the survey instrument. These represented primarily larger organizations roughly equally spread around the world. Those answering the questions were responsible for data, reporting and analytics on their ServiceNow instance and may have had other responsibilities as well.

Conclusions

Companies are becoming increasingly more data- and metrics-driven. Everything needs to be made visible, understandable and measurable. Companies want predictability and precision in all aspects of the business. They also want to operate with continuous improvement.

Data analytics are a top priority, and data is often being federated and centralized in large data stores. Analytics platforms are growing substantially and are frequently augmented with machine learning or AI tools to find patterns and trends otherwise hidden in vast amounts of data. Data analytics professionals are being hired in large numbers and even C-level executives (such as Chief Data Officers) are being created to oversee the way data is mined and utilized.

**ServiceNow is making companies more effective
and efficient, and it's a lot more than just
IT Service Management**

Increasingly, ServiceNow is becoming an important aspect of making companies more effective and efficient. Even its core area of IT service management has become considerably more important to ensure employees have optimal tools and working conditions and that their IT environment for work allows them to do their job as easily as the consumer-facing apps they use at home. Self-service IT and predictive/proactive IT are leading initiatives, and these require data and analytics to tune and evolve.

Other key aspects of the business are also being run on ServiceNow. One company, for instance, has the operation of its website for commerce - representing its entire business - running on ServiceNow. The data collected in ServiceNow holds the understanding of how well they are doing, where there is room for improvement, how to avoid early signs of

trouble escalating into large problems, and more. Another company uses ServiceNow for its processes in moving pharmaceutical discoveries into fully approved drugs for prescription.

The data inside ServiceNow is valuable and getting more valuable all the time. While ServiceNow-provided analytics are often seen adequate (73% reported that they could do most or all of the analytics they needed in ServiceNow), an increasing number of companies want to move data from this SaaS silo to a separate external data store and utilize their own analytics. 45% of companies responded that they use an integration to move or replicate ServiceNow data to an external storage repository, such as a data warehouse. This number shifts to 59% for companies with three or more instances. We expect these numbers to grow.

Exchanging Data and Process with Third Parties

In addition, companies want to integrate data and processes between ServiceNow instances and to third parties. Overall, 39% of those surveyed use an integration to move/replicate data and/or processes between ServiceNow instances, and this increases to 59% when a company has three or more instances.

48% of organizations said that they have a business need to exchange information between their ServiceNow instance and third-party instances, such as those of a partner, customer or service provider. This number went to 64% among customers that used ServiceNow for customer-facing processes and 59% among customers with three or more production instances.

Shockingly, many of these companies rely on manual means of information exchange, including email, phone calls and use of a web portal. Even companies with some sort of integration to the third party reported some manual use of exchanging information, indicating many of these integrations are not as good as they need to be. Improving this condition is doubtlessly a priority for such companies, since manual methods are time-consuming, error-prone and suffer considerable latency.

Today, the bulk of integrations are either developed in-house or utilize the facilities provided by ServiceNow. In instance-to-instance integration, 39% of respondents created the integration in-house, and 30% built one with functionality from ServiceNow. 15% used an integration provided by a consultant or service provider, and 12% used an integration service. There was no indication of companies using a general-purpose iPaaS toolkit to create a ServiceNow integration. With larger or broader operations - those companies with three or more production instances of ServiceNow - 47% used an in-house integration, 29% utilized an integration service, 12% relied on ServiceNow functionality and 18% relied on a consultant or service provider.

DIY Integrations (including those built with iPaaS toolkits) are complex, expensive and difficult to maintain. And many times they prove to be inadequate. Generally, the cost of maintaining an integration is not much different from the cost of developing it in the first place. This maintenance cost is often not even considered when calculating the overall cost of building an integration:

Avg Development	400hr@\$170/hour	\$68,000
Avg QA/Testing	100hr@\$50/hour	\$5,000
TOTAL BUILD COST (per integration)		\$73,000
Annual maintenance	350hr@170/hour	\$59,500
RECURRING COST (per integration)		\$59,500

There is upside and importance in improving integration capabilities from ServiceNow instances to other instances, applications, service providers and external data stores. The value and demand for data and processes within ServiceNow will drive this evolution.

About Perspectium

Service management is supposed to be an enterprise-wide best practice but is often limited by being stuck within individual departments and applications. Perspectium solves the problem of data and process silos by integrating context-aware information in real-time through a complete, end-to-end service. As a result, Perspectium enables seamless service delivery within enterprises and service providers. Perspectium provides always-current, secure integration solutions as managed cloud services allowing developers to focus on other digital transformation priorities.

With Perspectium, ServiceNow customers:

- Synchronize development and production instances of ServiceNow
- Extract real-time data from ServiceNow to reporting and analytics systems
- Replicate ServiceNow data to flow to data lakes and warehouses
- Enable instance migration and archiving
- Upgrade/revert to “out of box” ServiceNow applications
- Extend processes from ServiceNow to DevOps and CRM systems
- Create, manage and track service provider cases like Amazon AWS support requests within ServiceNow ITSM applications
- Connect service provider instances with customer instances and vice versa

Perspectium provides ridiculously high levels of scalability and availability, solving intricate integration challenges for some of the world’s largest organizations.

www.perspectium.com