NEAT EVALUATION FOR KYNDRYL:

Advanced Digital Workplace Services

Market Segments: Overall, Build Services Capability, Run Services Capability, Microsoft Capabilities

Introduction

This is a custom report for Kyndryl presenting the findings of the 2023 NelsonHall NEAT vendor evaluation for *Advanced Digital Workplace Services* in all market segments: *Overall*, *Build Services Capability*, *Run Services Capability*, and *Microsoft Capabilities*. It contains the NEAT graphs of vendor performance, a summary vendor analysis of Kyndryl for advanced digital workplace services, and the latest market analysis summary.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering advanced digital workplace services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, and with specific capability in build services, run services, and around Microsoft products.

Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Accenture, Atos, Capgemini, Compucom, Computacenter, DXC Technology, Fujitsu, Getronics, Infosys, Kyndryl, LTIMindtree, Movate, Mphasis, NTT DATA, Stefanini, TCS, T-Systems, Unisys, UST, and Zensar Technologies.

Further explanation of the NEAT methodology is included at the end of the report.

NEAT Evaluation: Advanced Digital Workplace Services (Overall)

Advanced Digital Workplace Services 2023
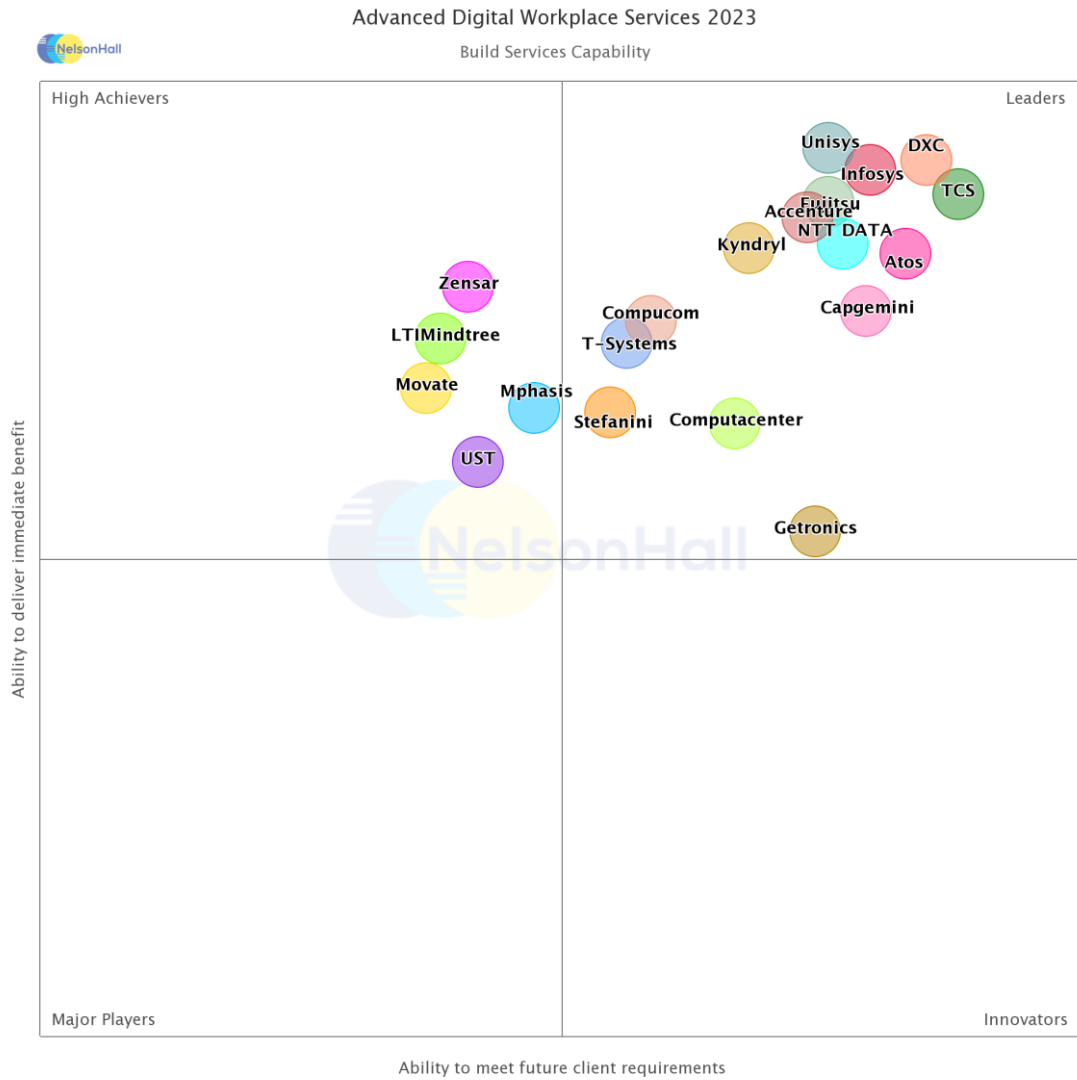Overall

Source: NelsonHall 2023
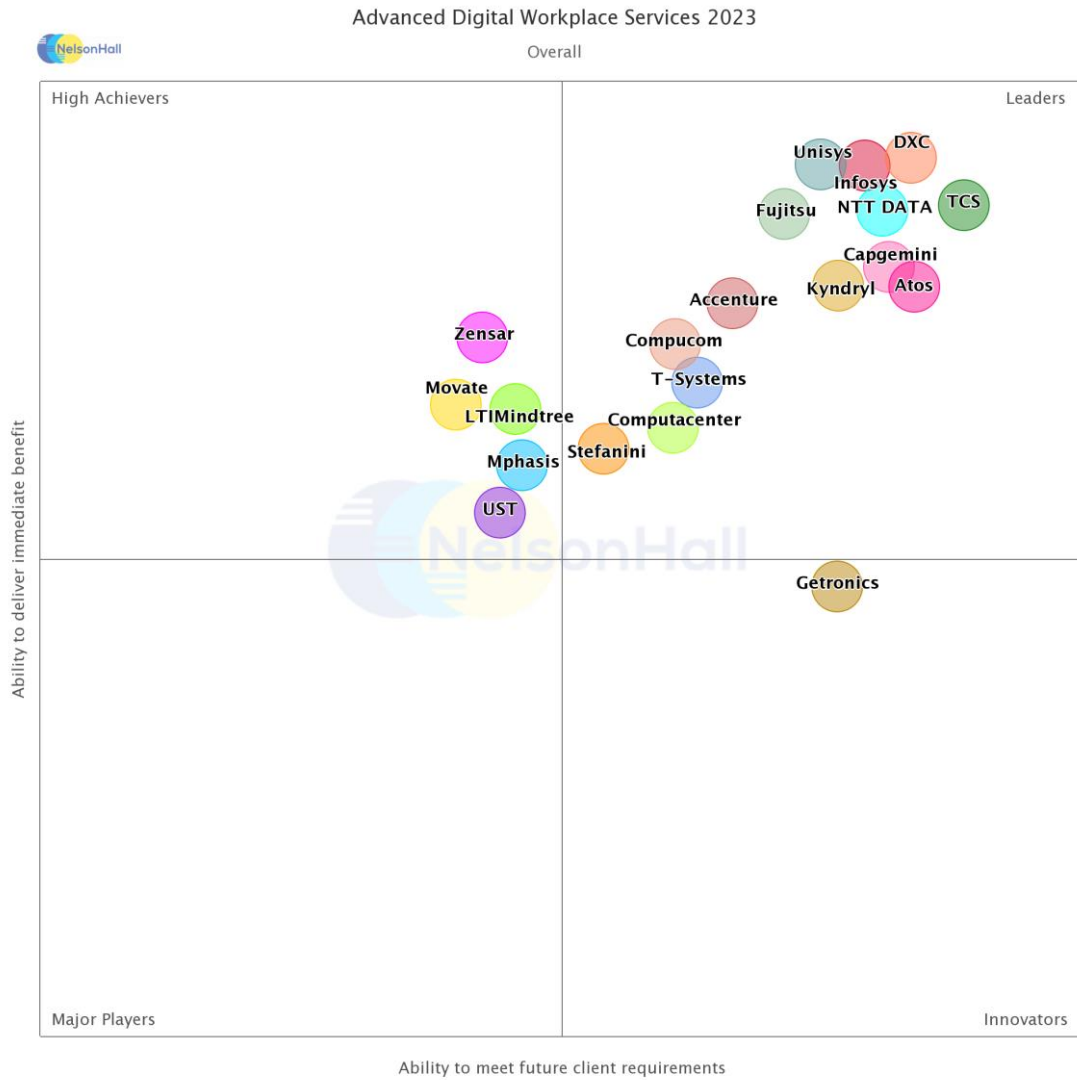
NelsonHall has identified Kyndryl as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects Kyndryl's overall ability to meet future client requirements as well as delivering immediate benefits to its digital workplace services clients.

Leaders are vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements.

Buy-side organizations can access the *Advanced Digital Workplace Services* NEAT tool (*Overall*) here.

NEAT Evaluation: Advanced Digital Workplace Services (Build Services Capability)

Advanced Digital Workplace Services 2023
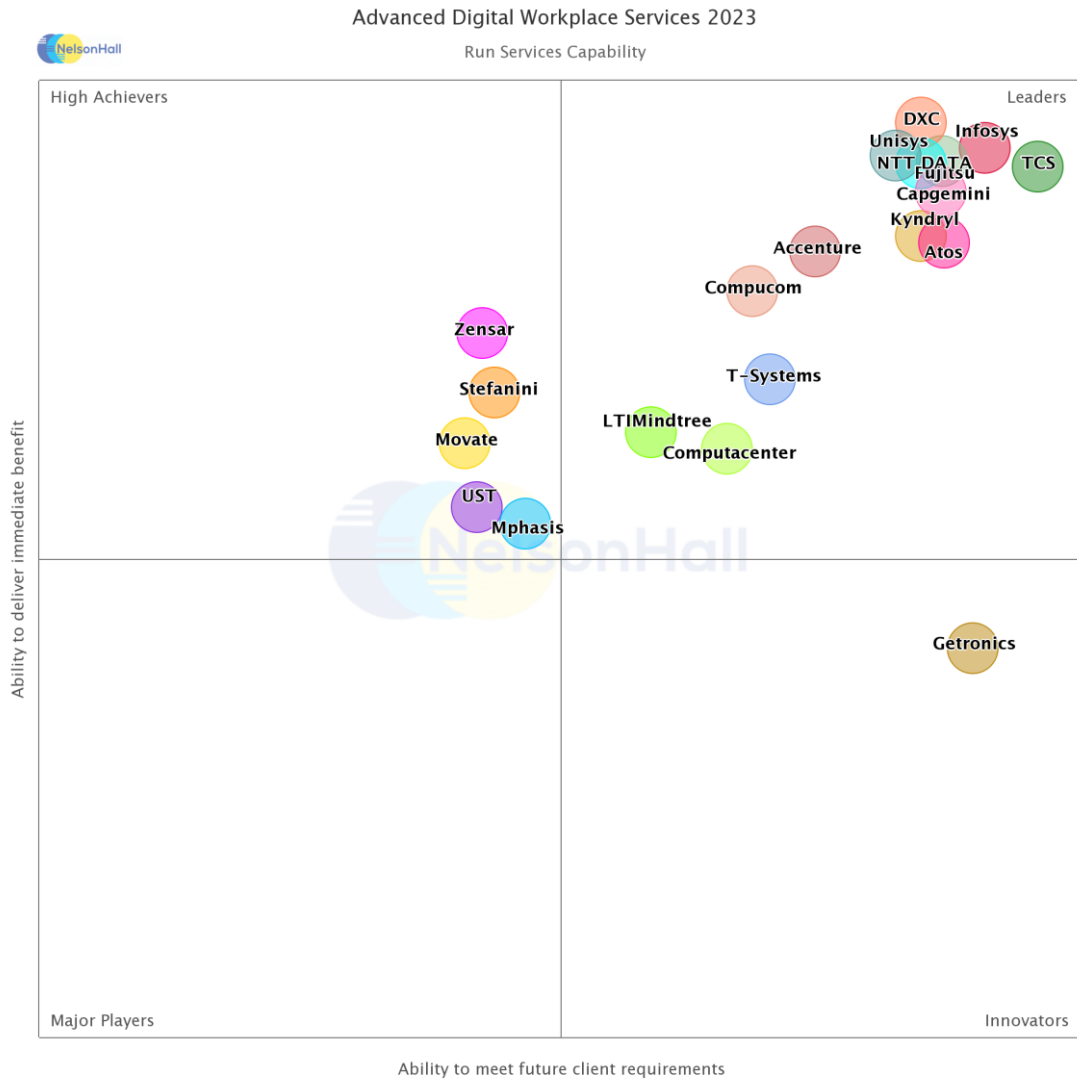Build Services Capability

NelsonHall has identified Kyndryl as a Leader in the *Build Services Capability* market segment, as shown in the NEAT graph. This market segment reflects Kyndryl's ability to meet future client requirements as well as delivering immediate benefits to its digital workplace services clients with specific capability in build services.

Buy-side organizations can access the *Advanced Digital Workplace Services* NEAT tool (*Build Services Capability*) here.

NEAT Evaluation: Advanced Digital Workplace Services (Run Services Capability)

Advanced Digital Workplace Services 2023
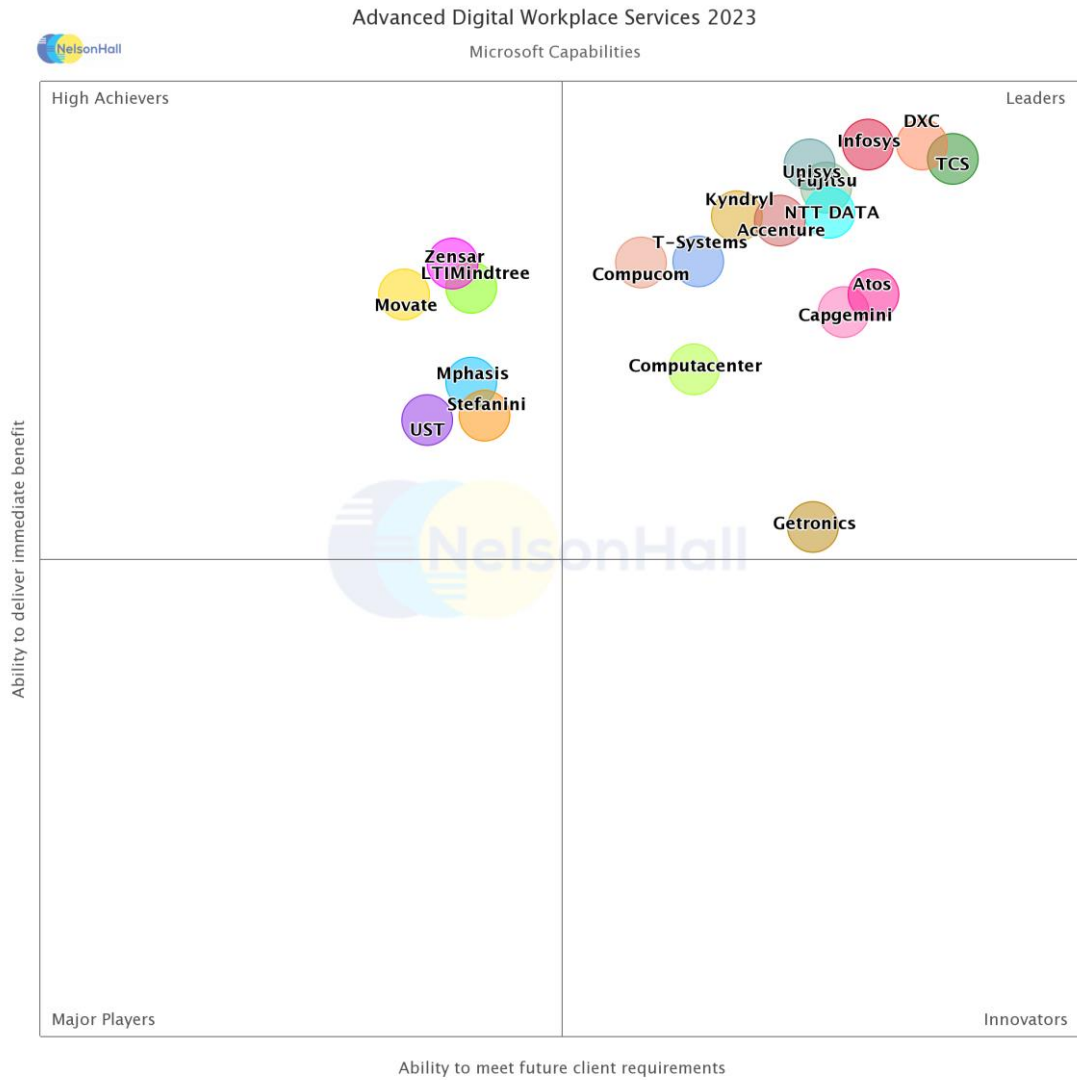Run Services Capability

NelsonHall has identified Kyndryl as a Leader in the *Run Services Capability* market segment, as shown in the NEAT graph. This market segment reflects Kyndryl's ability to meet future client requirements as well as delivering immediate benefits to its digital workplace services clients with specific capability in run services.

Buy-side organizations can access the *Advanced Digital Workplace Services* NEAT tool (*Run Services Capability*) here.

NEAT Evaluation: Advanced Digital Workplace Services (Microsoft Capabilities)

Advanced Digital Workplace Services 2023
Microsoft Capabilities

NelsonHall has identified Kyndryl as a Leader in the *Microsoft Capabilities* market segment, as shown in the NEAT graph. This market segment reflects Kyndryl's ability to meet future client requirements as well as delivering immediate benefits to its digital workplace services clients with specific capability around Microsoft products.

Buy-side organizations can access the *Advanced Digital Workplace Services* NEAT tool (*Microsoft Capabilities*) here.

Vendor Analysis Summary for Kyndryl

Overview

Kyndryl focuses on experience (EX) across digital workplace services, placing the user at the center of everything to drive closer alignment to business outcomes. The company sees EX's downstream effect on its clients' CX. Everything Kyndryl does across the digital workplace is data-driven, with analytics guiding and being predictive regarding what the end-user experience needs to be, facilitated through its cognitive channel. Kyndryl focuses on integrating analytics, cognitive, and automation into all digital workplace offerings.

Kyndryl's approach to employee engagement recognizes that IT conversations are now three-way between Kyndryl, the client, and HR. Its approach starts with co-creation utilizing Kyndryl Vital to expedite the human-centric design and expand experience outside the IT space. It also focuses on hyper-personalization, moving away from persona rigidity to treating every employee individually and utilizing DEM tools to understand what applications a user uses and systems which require integration.

Here, Kyndryl's approach to tooling is agnostic, providing a baseline set of capabilities to enable the business outcomes its clients require. It has built microservices on top of the leading DEM providers. This allows clients to preserve their existing investments where desired, but still gain the benefits of an integrated platform, allowing access to analytics and automation through voice, mobile, chat, self-service, and proactive channels. All of this is tied back to observability and its experience platform.

Kyndryl also takes a pragmatic approach to XLAs, tracing these back to business outcomes through a holistic approach. It takes different data points and maps back to business outcomes beyond the IT space and with greater personalization of XLAs.

Digital Workplace Portfolio

Kyndryl's digital workplace portfolio encompasses:

- Modern Service Desk (leveraging advanced analytics, automation, and AI) includes service desk, contact center as a service (CCaaS), cognitive AI virtual agent, Kyndryl IP self-heal solutions (scriptlets, RPA)

- Cloud Contact Center (leveraging advanced analytics, automation, and AI) for call center, that includes digital user journey mapping of consumer contact centers

- Device Management and Lifecycle Services (support for legacy and modern device lifecycle management): dynamic config, zero-touch enrollment, app management, and store, managed mobility, self-service, self-help, and self-heal. Digital experience management, global logistics, depot services, tech bars, smart lockers, field services, onsite support, AD/AAD migration, and support

- Workplace Virtualization Services: includes end-to-end managed service enabling hybrid workplace and delivery options from on-premise to public cloud and hybrid, with Windows 365, Azure Virtual Desktop, Azure Stack HCI, Citrix, VMWare, DEM, and automation

- Modern Workplace and Collaboration Services: includes a full suite of cloud-hosted services built to all M365 capabilities, with Microsoft Teams as the hub for employee experience. Also, collaboration, communications, security, business process redesign, DEM and UCaaS

- Workflow Orchestration and Experience Management: an automation-as-a-service model to prioritize automation opportunities, an intelligent process automation platform applicable across all industries

- Workflow automation can be integrated into existing applications through APIs and pre-built out-of-the-box bundles for HR, and IT processes with custom auto-books as required.

Employee Dashboard

Kyndryl has developed a unified omnichannel platform for all its employees (~90k) for work, support, and collaboration, integrated with Microsoft Teams. It is also providing this capability to several clients. It provides a single place for employees to come for their daily needs, IT support, and HR support, including a virtual assistant. It integrates device management, IT alerts, and third-party tools, including Workday and business approvals for onboarding and offboarding employees. It can also integrate DEM tools, including Qualtrics, to provide predictive recommendations for employee device problems.

The platform also focuses on well-being through Viva surveys. It provides Viva cards for alerts, requests, etc., in a card marketplace (available on Kyndryl Bridge) on the employee dashboard. It includes an ESG tracker to track progress against net-zero goals that Kyndryl is committed to. Power BI dashboards are also customized to the employee, driving data democratization. This one-stop-shop approach aims to drive a consistent experience across all devices (desktop, tablet, and mobile device), providing access anytime, anywhere, reducing touchpoints to improve the overall experience. Kyndryl will create a solution based on the specific needs of its client's employees.

Financials

NelsonHall estimates Kyndryl's CY 2022 revenues were ~$17.2bn; of this, NelsonHall further estimates that ~11% (~$1.9bn) was associated with digital workplace services.

NelsonHall estimates the geographical breakdown of Kyndryl's digital workplace services revenues in CY 2022 to be:

- Americas: 48% (~$912m)

- EMEA: 32% (~$608m)

- APAC: 20% (~$380m).

Strengths

- IP and accelerators, including Kyndryl Bridge Platform, and multiple consumable automation solutions, DEM, Employee Dashboard, AskIT, Data Mesh and Common Data Model, KCMP, Virtual IT Concierge, CX platform, industry insights, data lake capabilities, and an extensive library of automation use cases

- Kyndryl Vital and CoEs to drive co-creation and human-centric design

- A clear focus on and investment in analytics, cognitive, and automation in support of IT infrastructure and digital workplace services

- Expanding dedicated hyperscaler practices and cloud certifications, and making ongoing investments in the Microsoft strategic alliance across Viva, AR/VR, Mesh Services, Power Platform, Teams collaboration

- Kyndryl is moving up the value stack for clients focusing on employee experience and business outcomes, including DEM, Viva insights, and unified observability

- Kyndryl has a well-defined set of digital workplace ESG offerings

- Driving omnichannel integration with analytics, cognitive, and automation through 'while you wait' automation capability

- Increasing micro-apps in support of workflow automation

- Taking a DevSecOps and SRE-led approach to operations

- An open and federated approach to orchestration across multiple ecosystems

- Acquisitive approach to adding complementary capabilities.

Challenges

- Moving legacy clients to modern workplace capabilities will take time

- Expediting digital reskilling, including DevSecOps and SREs

- Ramping XLAs across the client base, although Kyndryl indicates that it has at least one XLA in place for all existing clients and all new contracts include co-created XLAs

- Increasing partnerships with ISVs and startups

- Increasing outcomes-based contracts for legacy-based clients.

Strategic Direction

Kyndryl is expanding its digital workplace services capabilities through the following initiatives:

Expanding IP and accelerators

- Employee experience: expanding collaboration suite to be more intuitive, utilizing Viva connections and deeper personalization by individuals to increase EX

- Increasing productivity through Kyndryl Vital and co-creation, design, and human-centric led approach, and utilizing business process orchestration to drive a holistic employee experience across the enterprise through integration services

- Essential data: increasing XLAs and digital experience management (DEM) capabilities, also across networks, applications, and security; increasing employee insights within the platform

- Increasing focus on total experience (TX), a combination of employee experience and customer experience, and enriching this further through unified observability, including Data Mesh technology and Common Data Model

- Contribution equity built on top of Microsoft using co-creation to enable collaboration experiences

- Expanding employee engagement beyond IT to include HR

- Focus on CX and aligning to the client's core business, and driving CSAT using gamification around NLP, user journey mapping, and using the same EX platform

- Continued investment in digital workplace ESG solutions and Kyndryl's commitment to net zero carbon emissions targets.

Hyperscaler partnerships

- Increasing Microsoft investments, including AR/VR and Mesh services, HoloLens, Power Platform, Viva, and Kyndryl Teams cockpit. Also, offering Evergreen services to enable clients to understand and leverage their Microsoft investments

- Expanding offerings and artifacts across dedicated hyperscaler practices (Azure, AWS, GCP), certified skillsets, and signings tied to hyperscalers (~$1bn as of FY23).

Digital reskilling

- Exploiting the DevSecOps model in Kyndryl and increasing DevSecOps certifications, and developing higher-level skill sets at L2/3 to drive proactive, predictive, and seamless approaches, including Automation Assessment Architect and Client Success Engineer

- The ongoing rollout of SREs across all mature accounts. Kyndryl is also altering its career model to recognize SRE as a defined role

- Hyperscaler certifications with the aim of 50% of employees having cloud-related certifications (predominantly related to hyperscalers) in the medium term

- Reskilling and redeploying Kyndryl employees to new revenue opportunities.

Outlook

Kyndryl takes a human-centric approach to digital workplace services focusing on experience and business outcomes. Through Kyndryl Vital, it co-creates and co-innovates with clients through a design thinking-led approach to support their workplace transformation. It also utilizes Kyndryl Vital CoEs to bring together experts across Kyndryl, partners, and clients to integrate systems, methods, and tools. Kyndryl has many legacy clients across digital workplace services, and it will take time to transition these to a modern workplace environment. Kyndryl Bridge, an open integration platform, can provide access to multiple services across Kyndryl and support the modern workplace.

Kyndryl has developed an employee dashboard integrated with Teams to provide a one-stop-shop for employees to meet their needs across IT support and HR. It further utilizes Viva surveys for well-being and digital experience management tools to measure sentiment and device performance to drive greater predictability in the workplace environment. Kyndryl's AskIT capability further improves self-serve capability with Microsoft Power virtual agent integrated. Through workflow automation, it has pre-built micro-apps and playbooks that can be configured to a client's infrastructure and applications. It also utilizes AI to identify opportunities for automation and analytics to drive further insight. Kyndryl provides self-heal scripts to perform L1/L1.5 support engineer capabilities, which can also be executed through its virtual agent. It also looks to support and maintain existing AI investments clients may have made and build on top of these with microservices in the virtual agent. Kyndryl will need to continue to expand its use cases in support of its AI virtual agent, and we expect it to increase its use cases across workflow automation to support the entire enterprise further.

Its visual IVR integrates the cloud contact center (Five9) with DEM, self-help, self-heal, and virtual agent through modern support. It further provides solutions based on the persona of the user. Here, Kyndryl takes a hyper-personalization approach to defining personas by an individual. Another key investment area is unified observability, including data mesh technology and a common data model to enrich total experience (TX), a combination of employee experience and customer experience. Kyndryl also focuses on better understanding

the big data generated in the IT environment and using analytics in partnership with automation to achieve a zero-touch automation end goal. This includes a future where both observations from data and remediation of observations are automated.

Employee experience through personalized engagements is a key focus for Kyndryl, with multiple personas defined. It also measures XLAs across onboarding, digital, support, and device experience. It defines experience performance indicators (XPIs) to target where pain and friction may be for a user to improve the experience. Kyndryl has developed multiple XLAs and will need to expedite these across its client base and in contracting on business outcomes driven by XLAs. However, Kyndryl indicates it has at least one XLA in place for all current clients, and all new contracts include co-created XLAs.

Kyndryl has well-defined ESG offerings in support of digital workplace services across its portfolio, including workflow orchestration, VDI, collaboration, device lifecycle and management, collaboration, and DEM. It takes a holistic view of ESG across the workplace through a single platform and unified taxonomy which will resonate with clients as they seek to drive their ESG/sustainability agendas.

Across digital workplace services, Kyndryl adopts a modular approach to workplace transformation through standardized architecture with a clear focus on UX and employee experience and the correlation this has with clients' customers' CX. A key investment area includes its CX platform utilizing multiple third-party partnerships, including Five9, Lakeside SysTrack, Nexthink, Riverbed Aternity, and Qualtrics.

Another key focus is expanding its GTM and practice capabilities with leading hyperscalers, particularly Microsoft, in areas including AR/VR and Mesh services and building applications and use cases using HoloLens in a Teams environment. A Microsoft Teams cockpit provides clients access to all Kyndryl services, third-party and in-house. Across Microsoft Viva, it is building on its existing M365 capabilities and extensions through Viva integration on top of the Microsoft Power Platform.

Kyndryl is focused on a DevSecOps and SRE-led approach to modern management and is ramping up its skill sets in both areas. It has recognized SRE as a discipline within the organization and has a dedicated career path. Other key roles include Automation Assessment Architect and Client Success Manager. It will need to continue to increase its upskilling and reskilling initiatives in this area and through new hires. It is also expanding its third-party partner ecosystem to support digital workplace services. It will also need to continue to increase the number of startups and digital ISVs in its partner ecosystem.

Kyndryl utilizes cross-industry insights to understand where a particular client is versus industry expectations. Kyndryl will also need to look at expanding its industry-specific automation capabilities and continue to ramp up its industry consulting capabilities in support of its co-creation approach with clients.

Finally, we expect Kyndryl to make additional bolt-on acquisitions to support its SRE and DevSecOps-led approach supporting AIOps, automation, and analytics across the workplace and cloud services.

Advanced Digital Workplace Services Market Summary

Buy-Side Dynamics

Buyers of digital workplace services look for the following attributes and capabilities when selecting a vendor:

- Expanding customer experience office (CXO) to monitor and measure sentiment and experience through dedicated platforms and ecosystem partner tools. Includes measuring experience across persona, journey, location, and service

- Increasing XLA frameworks and XPIs in support of business outcomes and deploying Microsoft Viva and wellness and engagement platform for employees

- Driving personas by industry and personalized experience services

- Increasing the use of conversational AI and integrating self-heal with virtual agent

- Ramping development of prototypes, POCs, and development of use cases in support of GenAI, including utilization of agent assist on service desk; and expanding capabilities with M365 Copilot, Azure Open AI, and ChatGPT connectors with partners

- Provision of proactive and predictive support services (self-healing, remote monitoring, automation, AIOps, cognitive service desk, and proactive and predictive analytics)

- Driving pervasive automation, change, and culture across the enterprise

- Moving from an L1/2/3 mindset to a real-time data insights-driven approach supported by site reliability engineers (SRE) approving machine recommendations

- Expediting resources building automation and GenAI use cases and system capability by industry

- Developing end-to-end net-zero portfolios and Green apps to monitor and reduce carbon footprint and supporting sustainable employees through personalized sustainability scoring and gamification

- Focusing on immersive capabilities, including Metaverse, in support of onboarding, training, learning, virtual meetings and events

- Utilizing AR/VR/MR for remote support and field services and connecting via Teams to a central command center for guided video resolution

- Driving digital adoption through organizational change management (OCM)

- Provision of design-thinking-led consulting engagements (including the use of GenAI to stimulate ideas), supplemented with dedicated innovation centers for co-innovation and co-creation across hybrid digital workplaces and workforces

- Increasing usage of end-user analytics tools (including Nexthink, 1E Tachyon, Qualtrics, and SysTrack) to monitor end-user consumption and sentiment based on personas to drive even deeper personalization and UX.

Market Size & Growth

The global digital workplace services market is worth $44.8bn in 2023 and will grow 3.0% per annum to reach ~$50.5bn by 2027. Growth over the next 12 months will be driven by enterprise-wide adoption of digital support services, intelligent collaboration, modern management, and ESG/sustainability initiatives. This is further driven by enterprises focusing on reducing operating costs and increasing innovation in the face of both uncertain revenues and current macro environment pressures.

North America will account for 37% of the overall digital workplace services market in 2027, with overall growth of 2.2%, impacted by macroeconomic conditions and IT spending dynamics in the U.S. through to H1 2024. EMEA is growing at 2.8%, making up 35% of the overall market by 2027. APAC will see single-digit growth through 2027, with LatAm also with lower single-digit growth in the same period. BFSI, transport, retail, healthcare, and manufacturing will see the highest growth in digital workplace services through 2027.

Success Factors

Critical success factors for vendors within the digital workplace services market are:

- Providing a unified omnichannel platform to enable users to access work, support, and collaboration, all integrated with Microsoft Teams; expanding conversational AI capabilities, including GenAI in support of service desk agents; utilizing location-aware smart lockers with AI virtual agent to facilitate the entire contact/incident/resolution lifecycle using automation with intelligence

- Increasing onshore consulting and advisory services, supported by digital workplace SMEs, focused on co-creation, design, and a human-centric approach to drive a holistic employee experience across the enterprise; expanding dedicated CoEs and practices in support of the hybrid workplace

- Ramping digital reskilling and new skill sets, including automation architects, AI/ML (including generative) specialists, site reliability engineers, machine coaches, business value specialists, experience leads, and hyperscaler full-stack engineers

- Providing Evergreen services to enable clients to keep updated with the latest features and license utilization. This includes Win11, M365, Viva, Copilot, and Windows 365 Cloud PC. This also includes Evergreen CoE providing support and driving the adoption of new features

- Expanding GenAI capabilities beyond service desk (agent assist) in areas including HR (recruitment, onboarding, learning & development), bid submissions, and RFPs; using AIOps to trigger automation and enable automated remediation, expanding AIOps to No-Ops cloud-managed services, and developing more complex use cases supporting a hybrid workplace environment; providing one-click resolution of common issues and conversational AI virtual agents. In addition, enacting event and incident automation to diagnose and remediate (self-heal) incidents through AI bots and proactive and predictive analytics

- Increasing focus on Digital Experience Management (DEM) platforms, with multiple XPIs feeding into XLAs and focusing on employee experience through personalized engagements; expanding proactive experience centers to monitor real-time data insights and XLA dashboard performance

- Expanding AR/VR, immersive, and Metaverse capabilities to support remote field support and mixed reality IoT with Virtual Twin; increasing innovation hubs to drive an experience-

led approach and support co-innovation with clients on hybrid work environments, and expanding the XMO-based approach

- Greater utilization of OCM to drive digital adoption, taking a data-driven approach, feeding experience data to OCM team; using this to determine which employees are on board and which are not and utilizing partner technologies (i.e., 1E, ServiceNow, etc) to personalize the approach and onboard users. Also, using AI to determine and predict the impact of users not using technology when deployed

- Driving a hyper-personalized approach at the start of client engagements to better understand the client's business and customize services accordingly. Also, defining personas by industry (including frontline workers) and personalized experience services across the workplace and wider enterprise ecosystem

- Developing a holistic view of ESG and sustainability across hybrid workplace services with a single platform underpinned by responsible workplace offerings; utilizing device as a service (DaaS) to manage device lifecycle, circular services, and PC as a Service (PCaaS), automating actions through remediation and self-healing, and reducing support footprints through proactive resolution; empowering end-users through OCM and Green apps (inc. gamification) to measure personalized carbon reduction achievements.

Challenges

- Clients are placing greater focus on vendors supporting their net-zero and sustainability initiatives. They are looking for a holistic view across the workplace through a single platform and taxonomy providing responsible DWS offerings

- Clients want to utilize OCM to enable a data-driven approach to identify specific changes to deliver compelling content to enable new ways of working. In addition, clients are further challenging vendors to deliver tailored workplace solutions targeting industry objectives to drive adoption further

- Clients want vendors to focus on enabling the transformation to a hybrid workplace environment

- Clients are looking for vendors to take a design-thinking and co-creation approach to develop use cases across gen-AI, expanding capabilities beyond the service desk and virtual agent to support the broader enterprise (i.e., onboarding and training). Clients want to utilize immersive technologies and Metaverse to support collaboration and improve UX

- Clients need to leverage existing investments in support of experience and develop XLAs in support of business outcomes

- Clients need to enable a hybrid workforce to foster engagement and collaboration in support of a dynamic workforce; and to optimize employee experience to maintain a satisfied and productive workforce.

Outlook

The future direction for digital workplace services will include:

- GenAI POCs moving into production with more complex use cases in support of self-service, self-heal, agent assist, training, onboarding, HR, CSAT (surveys and user insights), RFP, and bid support across workplace services; increasing investment in workplace platforms, collaboration, and omnichannel support (driven by conversational AI)

- Standard adoption of XLAs in support of business outcomes and tailored by persona and tracked and monitored through proactive service centers; experience governance boards with clients to map the XLA lifecycle

- Increased investment in ESG and sustainability unification across platforms and industrialization across cloud, cyber, workplace, and sector knowledge to drive specific industry solutions in support of sustainability

- Investing in platforms for the future of work using AI to enable a decentralized work environment supporting the gig economy. This includes enabling employees to find 'gigs' relevant to their skills or skills/certifications they aspire to achieve as they grow as part of an organization

- Greater focus on skills development, including SRE, AI SMEs (including GenAI), innovation and experience leads, and full-stack engineers. Also, investing in Talent Clouds to drive a location-independent agile workforce

- Utilization of swarming with engineer resolver groups to expedite faster resolutions for end-user issues

- Increasing focus on total experience (TX), a combination of employee experience and customer experience, and enhancing through unified observability, data mesh technology, and a common data model

- Enhancing vendor innovation ecosystems and providing a framework of tools and integration options to support business-line-focused client innovation initiatives and roadmaps

- Vendors will increase joint GTM and CoEs with strategic ecosystem partners (i.e., Microsoft, AWS, Google, Citrix, VMware) across Modern Management, DaaS, experience, and Cloud Workspace.

NEAT Methodology for Advanced Digital Workplace Services

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet future client requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet future client requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders**: vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements

- **High Achievers**: vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet future client requirements

- **Innovators**: vendors that exhibit a high capability relative to their peers to meet future client requirements but have scope to enhance their ability to deliver immediate benefit

- **Major Players**: other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.

Exhibit 1

'Ability to deliver immediate benefit': Assessment criteria

Assessment Category	Assessment Criteria
Offering	VDI and DaaS services and capabilities
	Modern management and Evergreen services capabilities
	XLA-based engagement and experience capabilities
	Intelligent collaboration and M365 capabilities
	Digital support services and AI-enabled capabilities
	AR/VR, immersive and ESG capabilities
	Workplace security services
Delivery	DWS North America delivery capabilities
	DWS EMEA delivery capabilities
	DWS APAC delivery capabilities
	DWS LatAm delivery capabilities
	Dedicated resources for build capabilities and consulting-led approach
	Dedicated resources for run capabilities including CoE's, innovation centers; and reskilling programs
	Ability to provide proactive and predictive self-serve and self-heal capabilities
	Ability to support next-generation AI-led workplace services, including Gen-AI
	Ability to utilize analytics to improve end-user insights and overall employee experience
	Extent of ecosystem partners and GTM for digital workplace services
Presence	Scale of Ops - Overall
	Scale of Ops - NA
	Scale of Ops - EMEA
	Scale of Ops - APAC
	Scale of Ops - LATAM
	Number of clients overall for digital workplace services
Benefits Achieved	Level of cost savings achieved
	Improved speed problem resolution
	Reduced number of service tickets
	Increased end-user/business satisfaction
	Pricing approach

Exhibit 2

'Ability to meet client future requirements': Assessment criteria

Assessment Category	Assessment Criteria
Overall Future Commitment to Advanced DWS	Financial rating Commitment to next generation digital workplace services Commitment to innovation in digital workplace services
Investments in Advanced DWS	Investment in IP and platforms in support of DWS Investment in support of virtualization and DaaS Investment in support of modern management (inc. Evergeen) Investment in support of XLAs and experience based approach to workplace Investment in support of intelligent collaboration Investment in support of AI-enabled services, and data-driven proactive approach to DWS Investment in support of AR/VR, immersive, and ESG services
Ability to Partner and Evolve Services	Key partner Ability to evolve services

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.

Sales Inquiries

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NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:

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