



# SERVICENOW MARKET

## 2021 M&A Insights

### Spotlight: ServiceNow Ecosystem

We believe low-code platforms are the next battleground in digital transformation. The global Platform-as-a-Service (PaaS) market size is expected to reach \$164bn in 2026, growing at a nearly 20% 6-year CAGR. ServiceNow, one of the leaders in the PaaS market, has been growing its blue-chip customer base and partner ecosystem with its industry-revered platform. ServiceNow builds digital transformation solutions, including simple to sophisticated, cloud-enabled enterprise applications across IT service management (ITSM), HR, customer experience and creator workflows.

**\$200<sup>bn</sup>**

Estimated ServiceNow  
total addressable global  
market

**\$164<sup>bn</sup>**

Expected global PaaS  
market in 2026

**650+**

ServiceNow Ecosystem  
Partners

**48**

M&A deals with pure-play  
ServiceNow Partners  
Jan 2019 - Dec 2021

ServiceNow is emerging as a leader in digital process automation, along with Microsoft, IBM, Appian and Pegasystems. ServiceNow has invested heavily in its low-code tooling and "workflow platform", through its recent acquisition of Dotwalk and partnership with Celonis. What does this mean for the overall partner ecosystem? A larger addressable market and opportunity for technology and channel partners with unique intelligent automation/RPA capabilities to expand their customer base and qualify as new partners, thereby expanding the entire ServiceNow ecosystem.

### Clearsight's Take

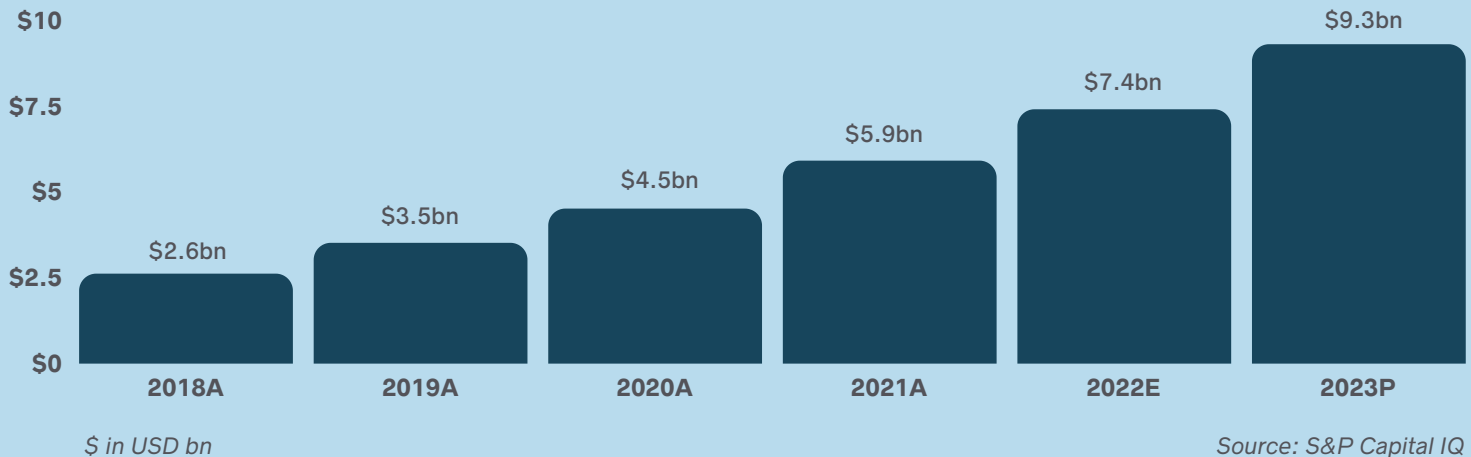
2021 was a record year for M&A deals in the ServiceNow ecosystem. ServiceNow transactions jumped ~50% in two years, from 11 in 2019 to 21 in 2021. This heavy market consolidation in the space was driven by strong industry tailwinds related to the digitization of enterprise and related IT and HR processes. Given its size and maturity, the US market has traditionally been at the forefront of this trend. However, active strategic buyers and private equity-backed acquirers are beginning to tap overseas ServiceNow markets to expand their ITSM and design implementation capabilities. Read about more trends to watch on page three.



# Rapid Historical & Projected Revenue Growth

ServiceNow is setting the standard for enterprise workflow automation and is the fastest-growing \$1bn+ enterprise cloud software company in the world. From just over \$2.5bn in 2018 to a projected revenue nearing \$10bn in 2023, ServiceNow is cementing its spot as a leader in digital transformation technology.

## 29% CAGR from 2018 - 2023P



## Notable Deals

21-Dec: Creative Systems and Consulting is a ServiceNow partner specializing in US federal government agencies. The acquisition strengthens ICF's leading gov-focused ServiceNow and Appian practices.

21-Jun: Rego Consulting is an Elite Partner with 170+ employees. This transaction aims to accelerate RSM's digital business growth and delivery of workflow automation solutions to mid-market customers.

**Creative Systems  
and Consulting, LLC**

**ICF International**

**Rego Consulting  
Corp.**

**RSM (US)**

**Highmetric LLC  
Fishbone Analytics  
Iceberg Networks**

**Gryphon  
Investors**

**Thirdera, LLC  
NovoScale  
Cerna Solutions**

**Sunstone  
Partners**

21-May: The merger of Elite Partner Fishbone Analytics with Premier Partner Iceberg Networks, and Highmetric, creates one of the largest global, pure-play ServiceNow partners.

21-Jan: Sunstone Partners' merger of Thirdera, Novoscale and Cerna Solutions creates another large pure-play partner. The transaction aims to accelerate growth, expand expertise, support customer success initiatives and improve customer ROI.

# Select Transactions in the ServiceNow Partner Ecosystem

DATE	TARGET	ACQUIRER	TARGET DESCRIPTION
21-Dec	<b>Creative Systems and Consulting, LLC</b>	<b>ICF International</b>	Creative Systems and Consulting is an Elite ServiceNow Partner that provides IT consulting and digital transformation to US government agencies.
21-Oct	<b>Odysseus Group</b>	<b>Deloitte</b>	Odysseus is a Premier ServiceNow Partner with expertise in IT business management, agile, devops and project portfolio management.
21-Oct	<b>SecOps Partners LLC</b>	<b>CDI LLC</b>	SecOps Partners is a ServiceNow security operations and integrated risk management (IRM) firm.
21-Sep	<b>NewRocket, Inc.</b>	<b>Highmetric LLC</b>	NewRocket is a software and services company that focuses on the design of enterprise service portals utilizing the ServiceNow platform.
21-May	<b>SuMO IT Solutions, Inc.</b>	<b>EY Canada</b>	SuMO is the first Canadian-owned ServiceNow Elite Partner. Areas of expertise include: ITSM, CSM, ITAM, SAM, HR delivery and security operations.
21-Jan	<b>Thirdera, LLC</b>	<b>Sunstone Partners</b>	Thirdera (fka Evergreen Systems) is an Elite ServiceNow Partner based out of Australia.
21-Jan	<b>Linium</b>	<b>Cognizant</b>	Linium holds more than 300 ServiceNow certifications. More than one-third of Linium's clients are Fortune 100 companies.
20-Sep	<b>GuideVision s.r.o.</b>	<b>Infosys</b>	GuideVision provides customized ServiceNow strategic advisory, consulting, implementations, training and support.
20-Sep	<b>GlideFast Consulting LLC</b>	<b>BV Investment Partners</b>	Glidefast Consulting provides IT consulting, integrations and managed support services to Fortune 500 companies.
20-Aug	<b>Acorio, LLC</b>	<b>NTT Data</b>	Acorio provides ServiceNow implementation and consulting services.

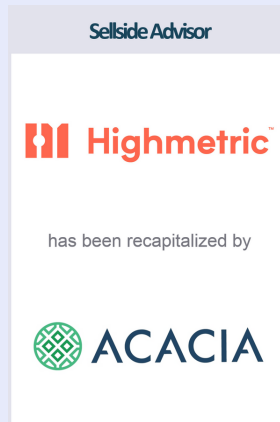
## 2022 Trends

In 2022, we expect the ServiceNow ecosystem to remain a popular area of M&A activity both within the US and in Europe, Canada and Australia. We anticipate continued investments in and acquisitions of pure-play ServiceNow partners with strong ITSM, digital process automation and AI-driven intelligent automation capabilities. Acquirers and investors in the space will look for (1) Elite Partner capabilities across multiple ServiceNow modules, (2) strong recurring revenue models and industry verticalization, (3) presence, scale and deep scarcity value in high-growth emerging markets and enterprise-level client engagement and (4) a combination of US-based and nearshore/offshore consultant and developer teams.

# Relevant Experience

## Cloud as a Unifying Force

At ClearSight, we are uniquely positioned at the intersection of cloud, data analytics and digital transformation. Many of our clients are directly or indirectly involved with leading cloud solutions such as ServiceNow (see below), Workday, Salesforce, Oracle and Google Analytics. View more relevant ClearSight transactions [here](#).



## About Us

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