



ServiceNow Market 2023 M&A Insights

Market Overview

Key Insights

Sector Spotlight

M&A Activity

Sector Leadership

Consolidation in the ecosystem resumes

Although overall M&A volumes were down in 2023, the ServiceNow partner ecosystem continued to evolve and consolidate, marked by several marquee deals with Elite partners. The deal market was shaped almost entirely by strategic acquisitions by leading IT and diversified services enterprises, including SoftwareOne, RGP, Inetum, EY, and Cognizant. Most notably, Cognizant acquired Thirdera from Sunstone Partners, catapulting Cognizant to be one of the world's largest and most credentialed ServiceNow partners.

Generative AI takes center stage

No longer a futuristic buzzword, generative AI is poised to revolutionize business processes. ServiceNow is actively integrating this technology into its platform to design workflows that proactively anticipate and solve problems and facilitate customer service interactions powered by hyper-personalized AI assistants. ServiceNow projected that integrating Generative AI into its future offerings could add a staggering \$1 trillion to its Total Addressable Market (TAM).

Partnerships pave the path to success

In today's complex tech landscape, no company can do it alone. ServiceNow's robust network of partnerships is a testament to its collaborative spirit. From Accenture to NVIDIA to Cognizant, these alliances provide ServiceNow with the expertise and reach to cater to diverse client needs and accelerate its AI journey.

The rise of the citizen developer

With low-code platforms like ServiceNow, the barrier to entry for application development is crumbling. "Citizen developers," individuals with minimal coding experience, are now capable of building solutions and automating workflows. This not only democratizes development but also unlocks hidden talent within organizations, boosting productivity and innovation.

Security and compliance remain paramount

As data becomes the lifeblood of businesses, security and compliance concerns take on even greater importance. ServiceNow prioritizes these aspects, ensuring its platform meets the most stringent regulations and safeguards sensitive information to instill trust and confidence in its customers.



Jim McCabe
Managing Director

[Email Jim](#)
+1 (703) 672-3112






Nas Chobanov
Director

[Email Nas](#)
+1 (703) 672-5680

ServiceNow Growth & Trends

SNOW Driving AI Advancement

ServiceNow is paving the way as one of the first major platform vendors to make generative AI capabilities available to customers. In September 2023, the addition of Now Assist to the Vancouver release of the platform brought generative AI to the forefront of its major workflows. ServiceNow also launched multiple partnerships this year dedicated to advancing the use of AI. ServiceNow partnered with NVIDIA (in May) to develop enterprise-grade AI capabilities and Cognizant (in June) to accelerate adoption of AI-driven automation. AI Lighthouse, a program designed to fast-track the adoption of enterprise generative AI led by ServiceNow, NVIDIA, and Accenture, launched in July. In December, ServiceNow joined the IBM- and Meta-led AI Alliance.

-  Improves user experience across the platform for both customers and employees
-  Enhances agent productivity by enabling sales staff and service agents to find answers instantly
-  Accelerates digital transformation by applying AI to deliver text-to-code and text-to-flow capabilities

Proprietary Software Acquisitions

UltimateSuite

Dec-23

The acquisition of UltimateSuite, a task mining firm, will bolster process mining and intelligent automation capabilities across the Now Platform

G2K

May-23

G2K is an AI-powered platform with smart IoT technology to enable businesses on the Now Platform to intelligently action data with enterprise-grade workflows

Era Software

Oct-22

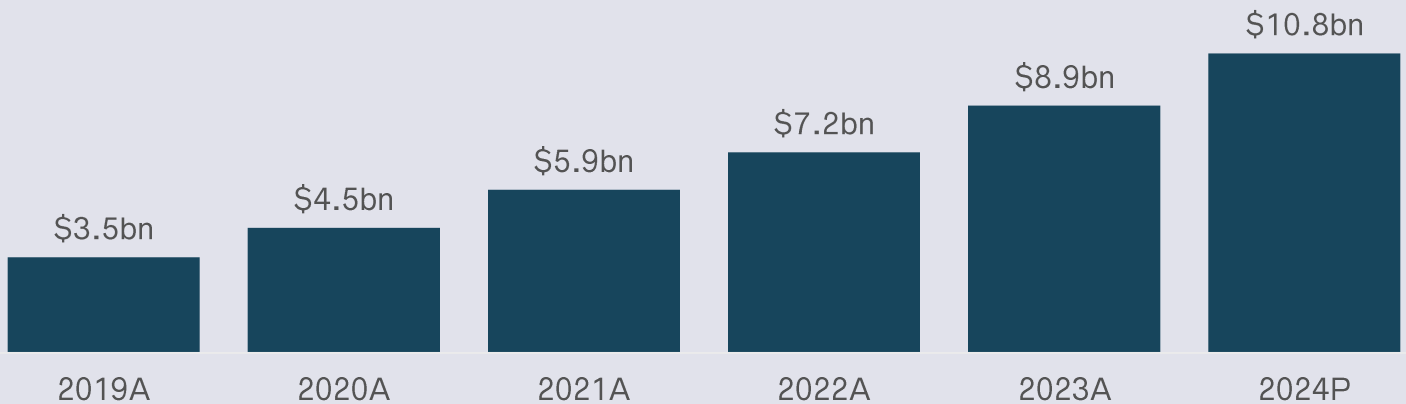
Era Software, an observability and log management innovator, will combine its capabilities with Lightstep to provide a unified observability solution

Hitch Works

Jun-22

Hitch Works, a skills mapping and intelligence company, will add AI-powered skills insights to the Now Platform

ServiceNow Revenue



Source: S&P Capital IQ

\$500bn

ServiceNow Total Addressable Market (TAM)

\$244bn

Global PaaS Market in 2028

~2,000

Registered ServiceNow Ecosystem Partners

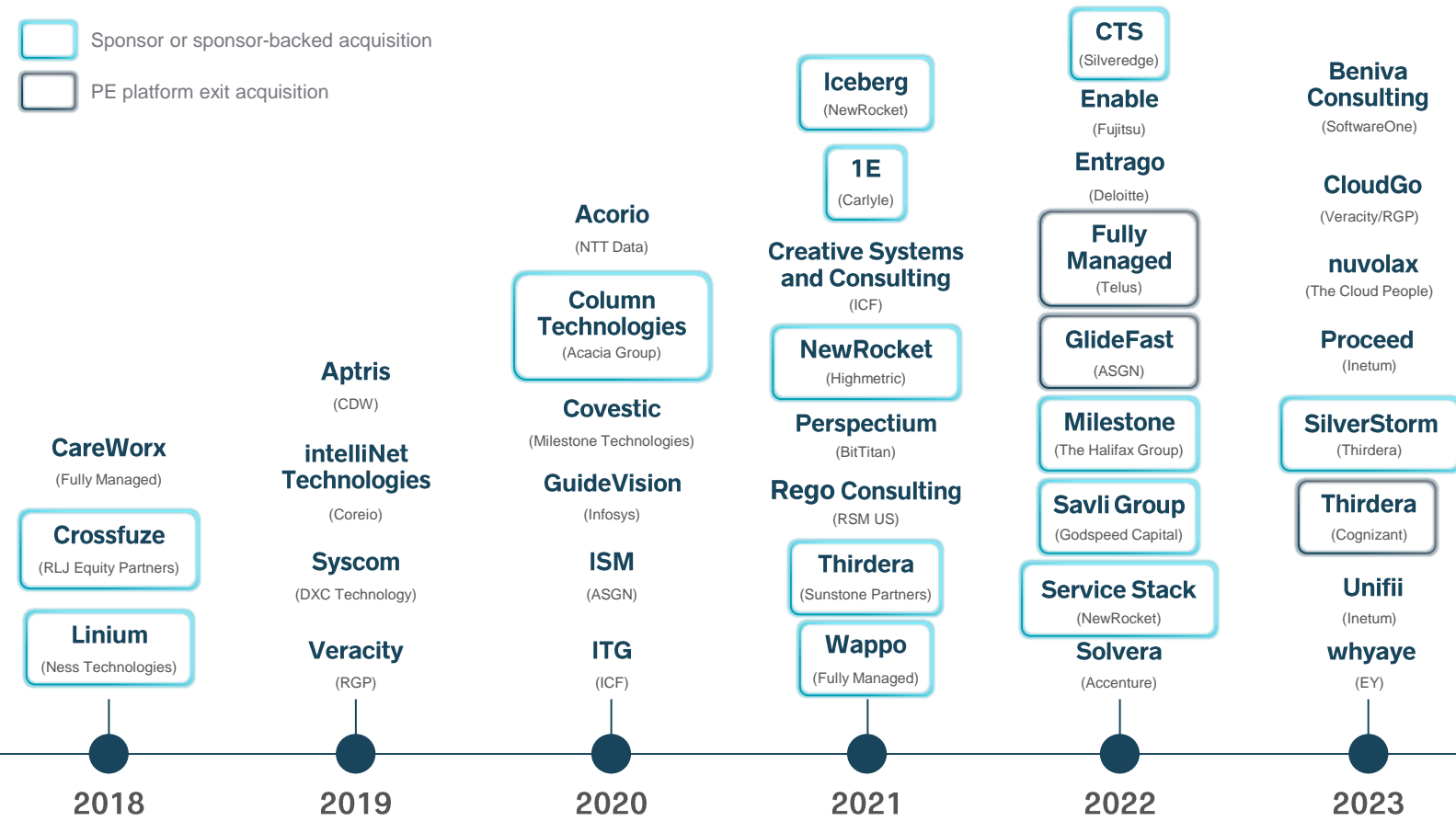
~150

Registered ServiceNow Elite Partners

Source: Capital IQ, Pitchbook, Company Press Releases, ServiceNow 10K, SEC Filings, Statista

Partner Ecosystem Update

Robust Consolidation Activity



Key Value Considerations



Certifications & Expertise

Buyers in the space continue to use the number of certifications as an indicator for commitment to continuing development of ServiceNow skills and knowledge. SoftwareOne and RGP picked up 350 and 230 certifications with the acquisitions of Beniva Consulting and CloudGo, respectively. Additionally, most prominent recent transactions have involved targets with “Elite” Partner status



Geographic Diversification

Targeted geographic expansion has been a strong driver of acquisitions in the ServiceNow space – targets with strong talent pools, diversified client bases, and solid reputations in desired markets have demanded attention from strategic acquirers looking to strengthen their global reach



Capabilities & Value Proposition

Acquirers continue to focus on achieving end-to-end capabilities, including advisory and consulting services, as well as implementation, integration, optimization, and product development on the ServiceNow platform. As a prime example, Thirdera will combine with Cognizant’s ServiceNow business group to offer one of the most comprehensive experiences in the ecosystem



Scale

Most buyers in the space continue to seek out businesses with relatively significant scale and stature in the markets they play in. Niche expertise that either complements or supports the strengths of an acquirer is a highly coveted characteristic of ServiceNow assets today

Source: Capital IQ, Pitchbook, Company Press Releases



Sector Spotlight

Thirdera Acquired by Cognizant

Target

Thirdera

Acquirer

Cognizant

Deal Commentary

- In addition to providing an on- and near-shore global presence for Cognizant's ServiceNow Business Group, Thirdera's robust capabilities will combine with Cognizant to create the most comprehensive experience in the ServiceNow ecosystem
- Cognizant's CEO Ravi Kumar S said about the transaction, "ServiceNow is leading a market shift toward customer, employee, and creator products. I believe the combination of Cognizant's deep industry, AI, and platform expertise paired with Thirdera's leading-edge offerings in enterprise transformation will position Cognizant at the forefront of thought leadership and innovation in the ServiceNow ecosystem."

Transaction Summary

On December 13th, 2023, Cognizant, a global IT services provider, announced its acquisition of Thirdera, the largest independent pure-play ServiceNow consultancy, from its financial sponsor Sunstone Partners. Thirdera is an Elite ServiceNow Partner with a full suite of capabilities from advisory to implantation and optimization with deep expertise in emerging enterprise workflow products.

Transaction Information

Announced Date	13-Dec-2023
Deal Type	Acquisition
<i>Target Information</i>	
Year Founded	1997
Target HQ	Broomfield, CO
# of Employees	~900

Unifii Acquired by Inetum

Target

Unifii

Acquirer

Inetum

Deal Commentary

- Unifii's widely renowned success in the UK and Ireland will bolster Inetum's strong European presence and elevate them as ServiceNow's European partner of choice – a key goal in Inetum's growth strategy
- Mike Glock and Stephen Mamelok, Managing Directors of Unifii, are "thrilled to join Inetum to contribute to the growth of a top European partner of ServiceNow." They commented that with Unifii's "success in the UK&I, we are confident that our team of highly skilled and experienced consultants, combined with the strength of the Inetum group, will deliver even more innovative and high-performing solutions for our clients."

Transaction Summary

On December 1st, 2023, Inetum, a France-based IT and communications firm, announced its acquisition of Unifii, a UK-based enterprise service management and customer experience consultancy. Unifii is an independent Elite ServiceNow partner with deep experience in supporting digital transformation with end-to-end ServiceNow design and implementation capabilities.

Transaction Information

Announced Date	01-Dec-2023
Deal Type	Acquisition
<i>Target Information</i>	
Year Founded	2010
Target HQ	London, UK
# of Employees	~150

Sector Spotlight (continued)

CloudGo Acquired by RGP

Target

CloudGo

Acquirer

RGP

Deal Commentary

- RGP acquired Veracity in 2019 as a platform for their digital consulting business; now, CloudGo will serve as the platform for Veracity's business in APAC, playing a key role in expanding RGP's regional positioning as they seek to expand the global footprint of their digital consulting business
- Bhadrish Patel, CEO of Veracity and Chief Digital Officer at RGP, commented on the transaction, "Together, we will be able to offer both Veracity's and CloudGo's customers access to our collective capabilities and solutions. This combination should enable us to more quickly expand our reach across the APAC region, and it positions us to better support our clients globally."
- *Clearsight Advisors was the exclusive advisor to RGP on its acquisition of CloudGo*

Transaction Summary

On November 15th, 2023, Resources Connection, Inc. (dba RGP), a California-based consulting and information management firm announced its acquisition of CloudGo, a Singapore-based IT consultancy focused on cloud-based digital transformation. CloudGo is one of the fastest growing, most highly certified Elite ServiceNow Partners with deep expertise in end-to-end workflow automation across the ServiceNow ecosystem.

Transaction Information

Announced Date	15-Nov-2023
Deal Type	Acquisition
<i>Target Information</i>	
Year Founded	2016
Target HQ	Singapore
# of Employees	~80

SilverStorm Solutions Acquired by Thirdera

Target

SilverStorm Solutions

Acquirer

Thirdera

Deal Commentary

- The acquisition will strengthen the firms' combined ServiceNow platform by adding 160+ SilverStorm consultants to Thirdera's 750+ roster of talent
- SilverStorm Solutions' 20 years of digital transformation experience will bolster Thirdera's product line as one of fewer than 10 firms to have achieved all four of ServiceNow's workflow badges, in addition to providing skills backed by 400+ certifications
- Rian Butcher, CEO of SilverStorm who will now become the Senior Managing Director for EMEA at Thirdera, said, "By joining forces, we can provide even better service to our existing customers and reach new customers with our combined portfolio of services."

Transaction Summary

On January 12th, 2023, Thirdera, a global pure-play ServiceNow partner, announced its acquisition of SilverStorm Solutions, a Europe-based digital transformation consultancy, via their financial sponsor, Sunstone Partners. SilverStorm provides ServiceNow implementations, integrations, managed support, and application development across Europe and South America and is one of the longest-tenured Elite-level partners.

Transaction Information

Announced Date	12-Jan-2023
Deal Type	Acquisition
<i>Target Information</i>	
Year Founded	2002
Target HQ	Valladolid, Spain
# of Employees	~170

M&A Activity

Date	Target	Buyer	Summary
12/13/2023	Thirdera	Cognizant	<ul style="list-style-type: none"> Target HQ: Broomfield, CO Thirdera is an Elite ServiceNow Partner specializing in advisory, implementation, and optimization solutions
12/01/2023	Unifii	Inetum	<ul style="list-style-type: none"> Target HQ: London, England Unifii is an Elite ServiceNow partner offering implementation of end-to-end processes to support digital transformation
11/15/2023	CloudGo	RGP	<ul style="list-style-type: none"> Target HQ: Singapore CloudGo is an IT consultancy offering advisory, IT operations automation, and enterprise workflow implementation through the ServiceNow platform
10/03/2023	Nuvolo	Trane Technologies	<ul style="list-style-type: none"> Target HQ: Wellesley, MA Nuvolo is a cloud-based connected workplace and enterprise asset management platform built on the ServiceNow platform
09/27/2023	Proceed	Inetum	<ul style="list-style-type: none"> Target HQ: Levallois-Perret, France Proceed is a ServiceNow consultancy specializing in ITSM, CSM, and HR integration within the Now Platform
08/02/2023	the nuvolax group	The Cloud People	<ul style="list-style-type: none"> Target HQ: Stuttgart, Germany Nuvolax is a ServiceNow Elite Partner offering cloud-based enterprise solutions and implementation services

 = Clearsight acted as advisor to RGP in its acquisition of CloudGo

M&A Activity

Date	Target	Buyer	Summary
06/01/2023	FX Innovation	Bell	<ul style="list-style-type: none"> Target HQ: Montreal, Canada FX Innovation is a cloud-services provider offering workflow automation solutions within the ServiceNow platform
05/30/2023	Riverbed Technology	Vector Capital Management	<ul style="list-style-type: none"> Target HQ: San Francisco, CA Riverbed Technology is an IT solutions provider offering ServiceNow-enabled observability and application acceleration products
05/17/2023	Beniva Consulting Group	SoftwareOne	<ul style="list-style-type: none"> Target HQ: Calgary, Canada Beniva is a technology advisory firm specializing in ServiceNow workflow implementation, analytics, and automation
05/12/2023	whyaye	EY	<ul style="list-style-type: none"> Target HQ: Newcastle, England whyaye is a consulting services provider for the ServiceNow platform offering digital and HR transformation and customer service management
01/12/2023	SilverStorm Solutions	Thirdera	<ul style="list-style-type: none"> Target HQ: Valladolid, Spain SilverStorm Solutions offers ServiceNow implementations, integrations, managed support, and application development
01/01/2023	Media Solutions	n_value group	<ul style="list-style-type: none"> Target HQ: Munich, Germany Media Solutions is an IT consultancy offering digitalization, enterprise services and software development in the ServiceNow ecosystem

About ClearSight

ClearSight Advisors is an investment banking firm dedicated to driving the Knowledge Economy by providing world-class M&A and capital raising solutions exclusively to growth-oriented Business Services and Technology companies. ClearSight combines deep market insights across software, services and data. ClearSight Advisors, Inc. is a wholly owned subsidiary of Regions Financial Corporation. All securities are offered exclusively through Regions Securities LLC, a registered broker-dealer and member of FINRA and SIPC. For more information about ClearSight, visit www.clearsightadvisors.com

 1650 Tysons Boulevard,
Suite 710
McLean, Virginia 22102

250 Park Avenue,
Suite 600
New York, NY 10177

2626 Cole Ave, Suite 700
Dallas, TX 75204

 703.672.3100

 www.clearsightadvisors.com

 [@clearsightmb](https://twitter.com/clearsightmb)

 [ClearSight Advisors](https://www.linkedin.com/company/clearsightadvisors)

Select Transactions

<p>BuySide Advisor</p>  <p>has acquired</p> 	<p>Sellside Advisor</p>  <p>has been acquired by</p>  <p>Strategic IT • Enabling Success</p> <p>a portfolio company of</p> 	<p>Sellside Advisor</p>  <p>has been recapitalized by</p> 	<p>Sellside Advisor</p>  <p>has been acquired by</p> 	<p>Sellside Advisor</p> <p>(1)</p>  <p>has been acquired by</p> 
<p>Sellside Advisor</p>  <p>has been acquired by</p>  <p>A Hitachi Group Company</p>	<p>Sellside Advisor</p>  <p>has been acquired by</p> 	<p>Sellside Advisor</p>  <p>has been acquired by</p> 	<p>Financial Advisor</p>  <p>has received a growth investment from</p> 	<p>Sellside Advisor</p>  <p>a portfolio company of</p>  <p>has been recapitalized by</p> 

(1) Evergreen Systems (Thirdera) deal was executed by a ClearSight professional while at a previous firm.

This publication has been prepared solely for the use of institutional investors for general information purposes and is not to be construed as: a personalized recommendation; a solicitation or an offer to buy or sell any securities or related financial instruments; legal, tax, financial or accounting advice. Contents are based on information from sources believed to be reliable, but accuracy and completeness cannot be guaranteed. ClearSight has no duty to update the information. Certain sections of this publication may contain forward-looking statements that are based on the reasonable expectations, estimates, projections and assumptions of the authors, but forward-looking statements are not guarantees of future performance and involve risks and uncertainties, which are difficult to predict. The names and marks of other companies or their services or products may be the trademarks of their owners and are used only to identify such companies or their services or products and not to indicate endorsement or sponsorship of ClearSight of its services or products. ClearSight Advisors, Inc. is a wholly owned subsidiary of Regions Financial Corporation. All securities are offered through Regions Securities LLC, a registered broker-dealer and member of FINRA and SIPC. For more information about ClearSight visit www.clearsightadvisors.com.