

# IDC MarketScape: Worldwide Service Life-Cycle Management Platforms 2023-2024 Vendor Assessment

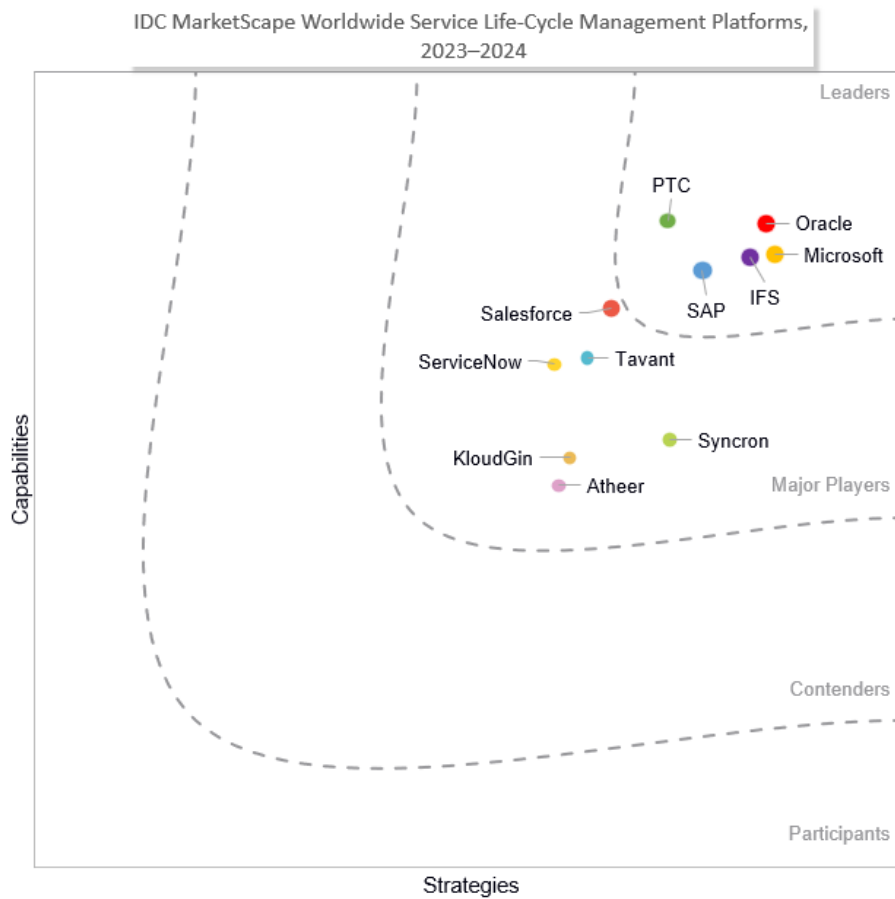
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THIS IDC MARKETSCAPE EXCERPT FEATURES PTC

## IDC MARKETSCAPE FIGURE

FIGURE 1

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



Source: IDC, 2023

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

## IN THIS EXCERPT

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The content for this excerpt was taken directly from IDC MarketScape: Worldwide Service Life-Cycle Management Platforms 2023-2024 Vendor Assessment (Doc# US49989623). 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

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The service operation and experience has quickly become a critical driver of value for customers, dealers, and operators. The historical viewpoint of service as solely an after-sales activity has become a relic. This shift in perception and value should not be a shock but does have many implications that need to be addressed. IDC's recent *Product Innovation and Aftermarket Services Survey* highlighted that the top driver noted by service leaders regarding their ongoing service efforts was to increase service-related revenue through better sales alignment, sales enablement, and new service products (48.7%). Revenue goals in turbulent economic times don't seem like a stretch, but these same leaders also prioritize the identification, hiring, and retention of service talent and the need to improve collaboration across the enterprise (48.1%). This understanding that the service team is the primary engine to deliver value to customers while the broader enterprise is a catalyst for innovation is where the service life cycle of today is different from its forebearers.

To drive revenue, profitability, and growth, service organizations need to deliver value to customers. And this value is dependent on the continued innovation in products and services and also on having the right team to interact with customers, delivering resolution when products, equipment, and assets break. Too often enterprises rely on just product innovations or marketing and sales campaigns to drive buyer behavior. But the service experience is a pivotal opportunity to deliver wow experiences that differentiate within the marketplace. Whether in B2B, B2B2C, or B2C markets, the organization that can ensure valuable interactions while meeting the parameters of contract will thrive.

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

- Service life-cycle management is defined by IDC 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. SLM is no longer a silo unto itself, data from the aftermarket can be leveraged by other enterprise applications to better inform the enterprise and deliver value to customers across their journey with the service organization.
- All 11 vendors included in this IDC MarketScape support a broad set of capabilities and functionality across the service life cycle, and each vendor provides different approaches to SLM, subvertical industries within management, and integrations into adjacent enterprise applications and platforms.
- Over the past year, the interest in generative AI (GenAI) across industries and processes within SLM has emerged. Service organizations are rapidly identifying use cases that can leverage generative AI with the aid of technology vendor partners.

- The "short list" as provided by this IDC MarketScape highlights the unique capabilities and future strategies of each vendor that aid service executives, leaders of service model transformation, technology buyers, influencers, and partners to successfully and adeptly evolve the service operations and explore opportunities to become a (more) digital business.

## IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

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Service life-cycle management consists of a broad set of activities that impact issue resolution, customer satisfaction, asset uptime, productivity, and derived value. For the purpose of this study, we have focused on those vendors that we deem to be notable because of the following characteristics:

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

Each of the 11 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 for the SLM market. This may change in the future, and future publications of this study will have additional inclusions.

## ADVICE FOR TECHNOLOGY BUYERS

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The technology landscape for service life cycle is quickly evolving to include new capabilities, differentiators, and domain expertise. Over the past few years, an understanding that service is not a silo unto itself but a key function of the enterprise has shaped the data needs of the business. This shift has also blurred the lines between which technologies are needed to support the service organization. Service leaders and technology buyers are at a critical moment where decisions aren't just needed to solve a point problem but instead need to drive transformation and value creation beyond one team.

For service organizations intending to transform their service operations and aftermarket processes, IDC offers the following recommendations:

- **Recognize the benefits of speed at scale.** Whether a small regional service operation or a large, global enterprise, the ability to rapidly transform is crucial in our experience- and outcomes-focused economy. Customer expectations in B2B, B2C, and B2B2C evolve quickly over their lifetime with an organization and often with little notice. This complexity demands service organizations to have the nimbleness to adapt to their respective market shifts. But it cannot take years to make these pivots, it needs to happen in quarters, months, or days.

Service team in many cases is the face and brand of the organization. The experiences that are delivered by the service team drive future purchase decisions and thus need to be able to evolve with the customer as opposed to remaining status quo. At one time, break/fix service models were the expectation, but now with connected products service organizations need to be able to deliver resolution prior to a failure. Being able to rapidly shift business models, processes, and worker behaviors is now the dividing line between success and failure:

- Does your organization have the process flexibility to incorporate new tools quickly?
- Does your IT team support or push back on the need for service-specific technologies that can quickly evolve based on customer preference changes?
- **Evaluate what is needed to future proof your service operations.** Over the past three-plus years, digital transformation has taken on a whole new connotation. The buzzword or marketing aspects of transformation have become a practical urgent need as disruption has impacted just about every industry. And one thing is apparent, disruption is not a one-off event that can be assumed to be in the rearview mirror. Service organizations need to understand their businesses, customers, workforce, partners, and suppliers to ensure that when the next big shift occurs, they can be more prepared to do more than just survive but thrive:
  - Is your service business truly differentiated or can your customers have options?
  - Is your workforce built and equipped to pivot at scale if market conditions, customer expectations, or technology advancements change quickly?
- **Prioritize change management and adoption reluctance from the service team.** Oftentimes, technology investments and deployments are done from a top-down or IT-down approach where the service users are expected to just adapt to new tools, processes, and technologies. Technicians, service agents, dispatchers, and schedulers play a critical role regarding whether or not an organization can maximize an investment in technology. When a rollout is done poorly leading to low rates of adoption, there is a direct negative impact to ROI and value. The frontline service team must be allowed to be involved in these transformative technology and process decisions as they are the best equipped to highlight which tools improve their work day or which are just another application to have to manage:
  - Are the service applications currently being used a burden on the workforce leading to workarounds and frustration?
  - What capabilities would provide the biggest productivity improvement for the service worker?
  - Who are the influencers or early adopters in your service organization?
- **Establish standards regarding metrics, value, and success.** The service operation is a dynamic set of processes. What is good today can be perceived to be table stakes next quarter. Service leaders need to ensure, especially in global organizations, that consistency is embedded in service activities and processes. Customer expectations will continue to increase as their respective businesses are dependent on service's ability to keep products, equipment, and assets up and running. The service organization needs to deliver quality outcomes during every interaction:
  - Can you measure quality service outcomes across your install base?
  - Do your customers understand the value your service team provides?
- **Avoid the temptation to adopt a highly customized offering to support the service operations.** Every service business is a bit different and therefore the urge to want a highly custom solution to meet the service team's specific needs is often present. But this approach will stunt growth, innovation, and agility. In the current technology environment of cloud-based service

platforms and applications, many of end-to-end requirements needed to automate aftermarket processes are available out of the box:

- Is customization really needed to meet your intended automation goals?
- Will customizations impede your service team's ability to adopt innovations at the speed introduced by your technology partners?
- Do you have the internal resources to support customizations?

## VENDOR SUMMARY PROFILES

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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.

### PTC

PTC is positioned in the Leaders category in this 2023-2024 IDC MarketScape for worldwide service life-cycle management platforms.

PTC (Nasdaq: PTC) is a global technology vendor that provides capabilities for the entire end-to-end service life cycle and is headquartered in Boston, Massachusetts. PTC has served the aftermarket for 37 years. In the past three years, PTC has acquired Onshape, Arena Solutions, Inland Software, Codebeamer, and ServiceMax in support of its aftermarket service capabilities. PTC has strategic partnerships specifically for service life-cycle management with Amazon Web Services (AWS), Capgemini, Cognizant, Deloitte, Ducker Carlisle, Infosys, ITC Infotech, Kalypso, L&T Technology Services, Microsoft, OnProcess Technology, Tata Consultancy Services, and Tech Mahindra.

PTC offers capabilities to support the end-to-end service life cycle including customer support, service requests, service planning, field service work order management, spare parts optimization, spare logistics, repairs and refurbishments, warranty and entitlements, service contracts, recalls, augmented/mixed reality, customer portals, business intelligence and analytics, service-specific analytics, service demand forecasting, capacity planning, artificial intelligence and machine learning, contractor and partner portal, install base management, collaboration tools, Internet of Things capabilities, remote monitoring and triage, contact center and dispatch management, service CPQ, gamification and performance dashboards, service worker engagement, sustainability optimization and dashboard, and a modern customer user interface. PTC also provides product life-cycle management (PLM) capabilities that can be integrated into the service platform enabling a loop of data from the service operation to product design, quality, and development.

Quick facts about PTC include:

- **Employees:** 7,000
- **Total number of SLM clients:** 3,500+
- **Globalization:** Users in 100+ countries and support for 13+ languages
- **Industry focus:** Aerospace and defense, automotive, consumer products, farm, construction and industrial machinery/equipment, healthcare, high tech, oil and gas, process industries, retail, services, telecommunications, and utilities

## Strengths

- **Digital thread linking asset configuration and service history:** In many instances, asset, service, and engineering data are siloed off from each other. PTC has established a technology platform that enables the connection between service data and asset data to aid in business and digital transformation. The ability for service history and asset performance insights to inform design, quality, engineering, and reliability decisions is an aspect that PTC enables. But the company is also able to empower the service team with valuable engineering and product design data to improve the ability to execute on service outcomes.
- **Track record of strategic acquisitions to support ongoing enhancements across service life cycle:** PTC has a long history of organic as well as inorganic growth. The company's acquisition strategy focuses on companies that can enhance the company's core aftermarket capabilities while connecting with its technology products from the engineering function. In conjunction with added capabilities through acquisition, PTC also invests heavily in R&D to continue to innovate its offerings in areas like IoT, 3D work instructions and augmented reality, collaboration, and service parts inventory optimization.

## Challenges

- **Selling partner ecosystem:** PTC relies often on its own teams to grow its business and has grown its partner ecosystem at a slower pace. PTC's strategic partnerships provide a wealth of domain knowledge around digital transformation, but there is an opportunity to broaden the breadth of partners to establish a more robust network. As PTC enhances its offerings to support the entire service and product life cycle, partners will need to play a bigger role in deployments and integrations.

## Consider PTC When

Companies should consider PTC when searching for a vendor that can aid in the transformation of aftermarket service-specific processes as well as a complete transformation across the service life cycle. PTC also specializes in enabling organizations to connect engineering, design, quality, and reliability with the service operation. As service becomes a critical part of an organization's top-line initiatives across industries, the ability to take data from across the organization to inform service execution will be more critical. But organizations would miss a large opportunity if service data didn't also go back and aid in the improvements of current, in-market, and new products and assets. PTC has established a technology road map and current offering that bridge these two historically siloed-off groups being product and service.

## APPENDIX

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### 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.

The 11 aftermarket service technology firms evaluated in this IDC MarketScape provide strategic vision and support for a broad range of capabilities to aid service organizations across a variety of industries. All vendors in this study were assessed in the Leaders or Major Players categories as a result of their respective ability to address a wide spectrum of processes across the aftermarket service life cycle. Each vendor supported a number of use cases within service transformation and the digital business.

## 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

This study assesses the capability and business strategy of many notable aftermarket service technology vendors.

Please keep in mind the following definitions:

- Service life-cycle management (SLM) is defined by IDC as the set of processes in servicing a product through its lifetime and includes customer support, service request, service planning, service execution and field service, spare parts management, warranty management, and recalls.
- Servitization is defined by IDC as product as a service. This includes selling usage, uptime, power by the hour, remote monitoring, and service analytics.

## LEARN MORE

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### Related Research

- *Market Analysis Perspective: Worldwide Aftermarket Services Strategies Applications, 2023* (IDC #US51164723, August 2023)
- *2023 Product Innovation and Aftermarket Services Global Survey* (IDC #US51035223, July 2023)
- *Rethinking Servitization in the Aftermarket as Value Is a Moving Target* (IDC #US47220121, June 2023)
- *IDC Market Glance: Aftermarket Service, 1Q23* (IDC #US49151123, March 2023)

- *IDC FutureScape: Worldwide Manufacturing Product and Service Innovation 2023 Predictions* (IDC #US48627622, October 2022)

## Synopsis

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

"Service life-cycle management must be the engine that drives enhanced value to the customer relationship whether in a B2B, B2B2C, or B2C environment," says Aly Pinder, research vice president, Aftermarket Services Strategies. "A great product or piece equipment may bring in a customer for that initial sale, but the experiences and outcomes delivered by the service organization will be the determinant of how long a customer stays with an organization."



## About IDC

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