

ISG Star of Excellence™ – Customer Experience Benchmark Report



Hewlett Packard
Enterprise

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Introduction

In the fifth year of ISG Star of Excellence™, ISG is back with the results of this voice of customer study as the industry grapples with new challenges and explores new opportunities. In the post-pandemic world, global organizations are struggling with macroeconomic factors such as the great resignation, talent shortage and a possible economic slowdown that are impacting their investments in technologies and services.

After the somewhat debilitating and widespread impact of the pandemic, global businesses have got back on the bandwagon of development, pushing the pedal on their digital transformation initiatives and relooking and transforming their business models. This factor has led to customers critically evaluating their service provider and technology providers for their ability to ensure enhanced customer experience (CX).

The independent, industry-wide Star of Excellence™ program recognizes managed services and technology service providers that deliver excellent client-centric services and solutions and rewards those that stand apart from the rest with exceptional experience scores.

ISG looks at six key pillars defining CX in technology sourcing in these unusual times: business continuity, collaboration, delivery execution, cultural fitment, governance, and innovation.

Customers have rated their service providers, in terms of experience, along the six categories (mentioned above) and across multiple regions, industries and technologies. This report outlines the key findings from the 2022 ISG Star of Excellence™ program and **HPE's** position with respect to enterprise CX requirements.

We encourage you to use this report to deep dive into **HPE's** CX scores across regions, technologies and industries.

Bravo **HPE!** Your confidence in seeking direct feedback from your clients in 2022 is truly commendable!

We look forward to your continued participation in 2023 as we relentlessly focus on improving client-centricity in our industry.



Jan Erik Aase
Partner and Global Head -
ISG Provider Lens



Heiko Henkes
Director & Principal Analyst,
Global IPL Content Lead



Top insights of ISG Star of Excellence™ – Voice of Customer survey 2022 are:

1. Collaboration and transparency are critical in uncertain times: As global enterprises cautiously spend on technology services and solutions, they expect quick, measurable RoI. When engaging service providers, clients (customers) expect them to offer innovative ways of managing service transition, communication, collaboration and openness. These expectations have led to them prioritizing collaboration and transparency in the context of CX. They appreciate providers for defining clear roles and responsibilities for both parties. Concurrently, they also insist on continuous communication with the concerned providers on the status, workload and timelines concerning service delivery. As business demands continue to change in these volatile times, clients also appreciate providers

for being open to constructive criticism or for accepting suggestions for improvements. This year, ISG noted an often inversely proportional relationship in this context; as client expectations on the above-mentioned parameters are gaining focus, providers often fall short in meeting these expectations.

2. Customers continue to have low expectations of providers' ability to innovate and achieve a cultural fit: Similar to the trend last year, despite service providers focusing on offering innovative solutions and trying to position themselves as thought leaders instead of only service implementors, these capabilities have little influence on CX among enterprises. This indicates that innovative services and solutions from service providers must be backed by robust business

use cases and industry-proof points. Similarly, providers' ability to culturally fit with client organizations and businesses is not a significant CX influencer. As critical decision-making and engaging with service providers still fall under the purview of an enterprise's IT unit, clients are yet to start relying on the deep industry and business line expertise of their service provider. Factors such as the great resignation and ongoing talent crunch have also influenced clients' confidence in providers' ability to hire experts who understand their business.

3. Providers going above and beyond with governance and compliance services and solutions: Clients have given a low importance score to governance and compliance as a category influencing CX. However, they gave service providers high ratings

to indicate high satisfaction with their efforts to ensure governance in compliance with policies and regulations. This highlights that most governance and compliance requirements are usually covered in standard contractual and project obligations. Therefore, clients do not always consider these as the most important factors defining experience with service providers. High satisfaction scores in this category indicate client appreciation of providers for their ability to maintain active contact with various stakeholders, proactively engage to resolve issues and maintain effective security measures.



- **Business Continuity and Flexibility** and **Execution and Delivery** continue to be important CX parameters, and providers are performing above expectations in these categories
- Providers ensure **High Governance and Compliance**, although it is not the most critical CX parameter and is covered in SLAs
- Providers need to improve communication and touchpoints with customers to ensure **Collaboration and Transparency**
- CX continues to be less influenced by **People and Cultural Fitment** and **Innovation and Thought Leadership**, and providers received low satisfaction scores

Footnote: For 2022, ISG Star of Excellence™ program surveyed the data for category importance scores which allowed the enterprise respondents to score the importance of each of the categories for the services delivered by the service provider. This data was collected in addition to the customer experience score for each of the categories.





HPE

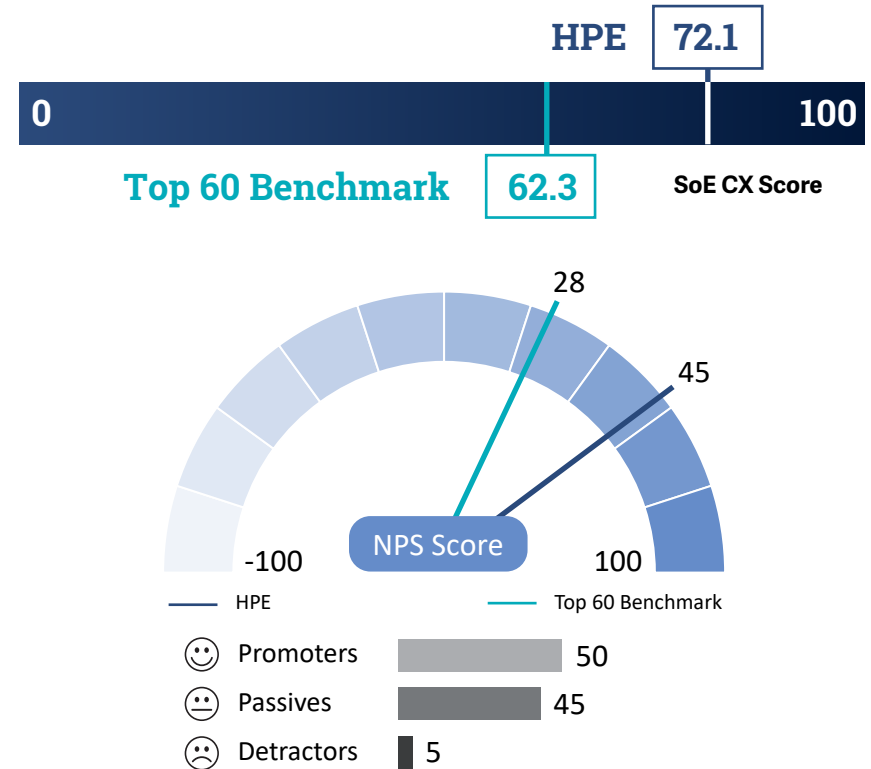
Universal Region CX Award Winner 2022

ISG Star of Excellence™ Score

HPE has received high satisfaction scores of 72.1 against an average benchmark of 62.3 from its top 60 competitors in the ISG Star of Excellence™ (SoE) Voice of Customer study. The company's higher – than-average score was due to its ability to instill confidence in its customers across several factors.

The key areas include HPE's abilities to enhance business continuity, improve service delivery and ensure that employees fit the work culture of its clients. HPE's solution was a preferred choice across most industries, particularly manufacturing, retail, travel, transportation and leisure industries. Moreover, HPE fared well across many emerging technologies such as container, cybersecurity, digital business transformation, intelligent automation and software-defined networks.

Consequently, HPE's clients have strongly recommended the service provider and have endorsed it with a net promotor score (NPS) of 45 against an average NPS of 20. The company has only five percent detractors (respondents who gave HPE a recommendation score in the range of 0-6 on a scale of 0-10). However, it has 63 percent promoters (respondents who gave HPE a recommendation score in the range of 9-10 on a scale of 0-10). In comparison, the average provider had more than 40 percent detractors and only 40 percent promoters.



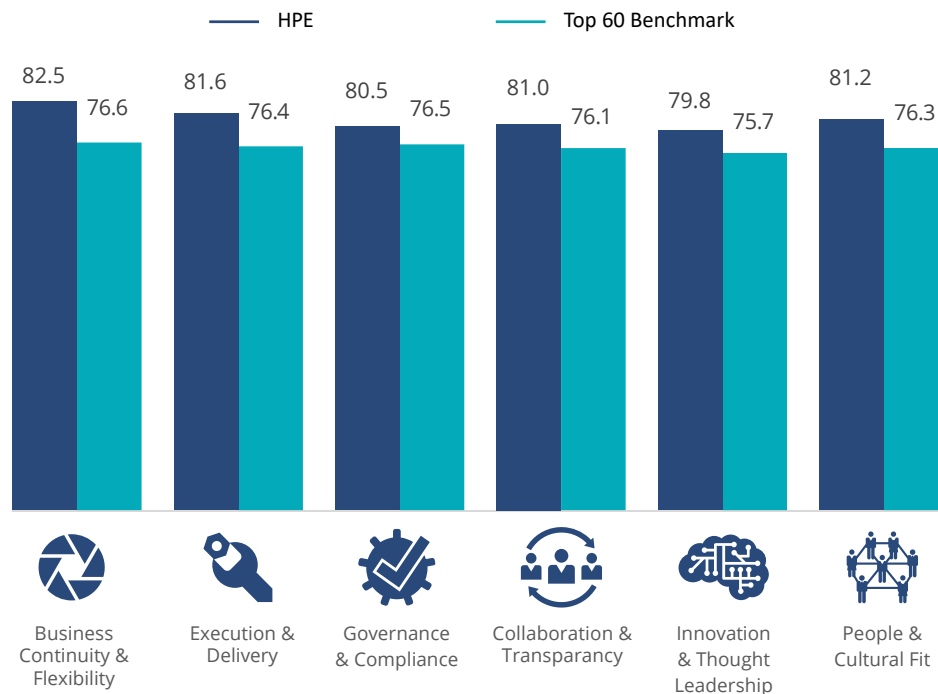
CX Scores by Categories

For each of the six CX categories, enterprise clients have provided a high satisfaction score for HPE compared to the average score for the top 60 providers. HPE's scores for the six categories follow the pattern of the average industry benchmark.

HPE stood out for its ability to help clients maintain business continuity, with a score of 82.5. Other areas in HPE that achieved high scores were execution and delivery, people and cultural fit, and communication and collaboration, scoring 81.6, 81.2 and 81, respectively. Based upon the average score attained by the top 60 companies, it is worth pointing out that business continuity, governance and compliance, execution & delivery, and people and cultural fit were the key categories highly rated by customers.

To further increase its satisfaction score, HPE must spruce up areas with near-average scores. Therefore, HPE must focus on improving governance and compliance, while maintaining its existing high satisfaction scores in the other four categories.

Six Categories of Enterprise CX Scores - HPE

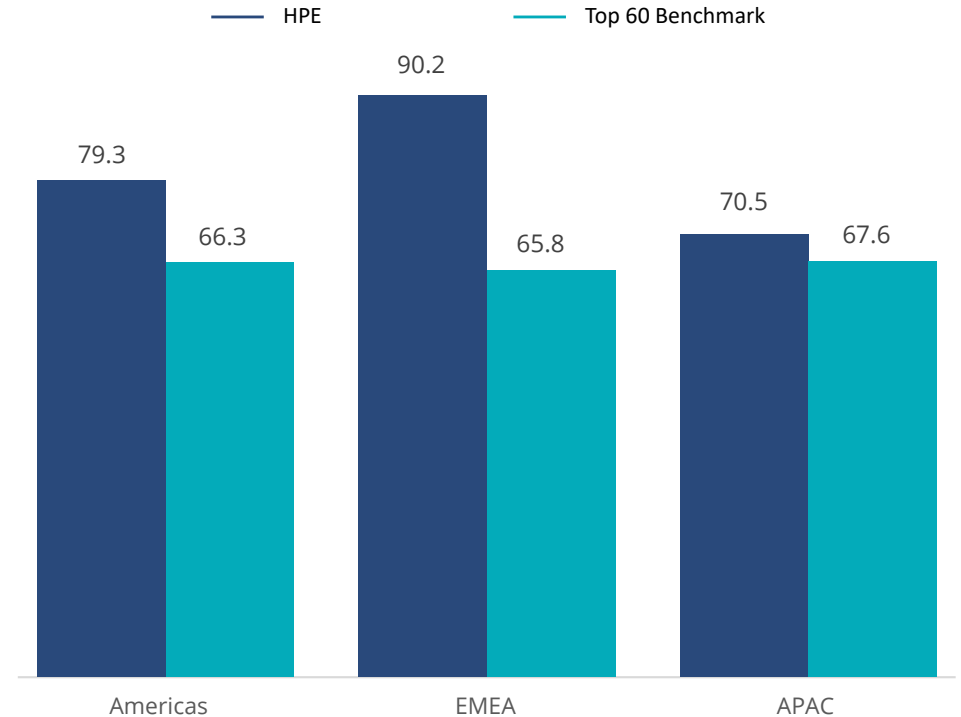


CX Scores by Region

From a regional perspective, HPE scored higher than the industry benchmark in the Americas, APAC and EMEA. However, it attained a higher score of 90.2 in EMEA against the industry benchmark of 65.8. Notably, while HPE maintains a significant lead against the industry benchmark of 66.3 in the Americas, it was barely ahead in APAC; it scored 70.5 against the industry benchmark of 67.6, which was higher than the industry benchmarks for the Americas and EMEA.

This scenario was attributed to the top 60 companies that were benchmarked as more successful in understanding the nuances of a client's industry background and ensuring its people fit with the work culture of its clients. To increase its appeal in the APAC, HPE can further improve upon collaboration and transparency, business continuity and innovation capabilities.

Customer Experience Scores by Region



CX Scores by Industry

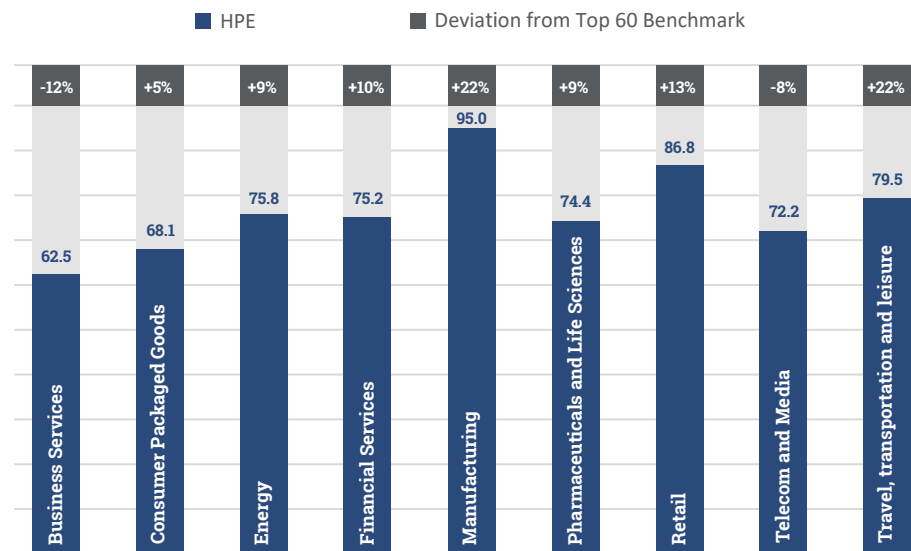
HPE has significantly built key expertise across a broad range of industries, leading to a high level of customer satisfaction.

Manufacturing is a segment where HPE did particularly well in attaining a score of 95.0, against the benchmark of 74.4. Retail and travel, transportation and leisure were two other segments with high scores, 86.8 and 79.5, respectively, against the industry benchmark of 75.3 and 62.2, respectively.

Other segments where HPE fared better than the industry average were consumer packaged goods, energy, financial services, and pharmaceuticals and life sciences. In the business services and telecom and media segments, HPE scored 62.5 and 72.2, respectively, against the benchmark scores of 70.2 and 77.9, respectively.

HPE can further improve its overall scores by strengthening the perception of its brand among end users from business services and telecom and media industries. HPE can do this by ensuring that its services are easy to use regardless of the role of professionals in an organization; HPE should improve the perception of its products among personnel from operations, information technology and the digital leaders of these two industries.

Customer Experience Scores by Industry



CX Scores by Technology

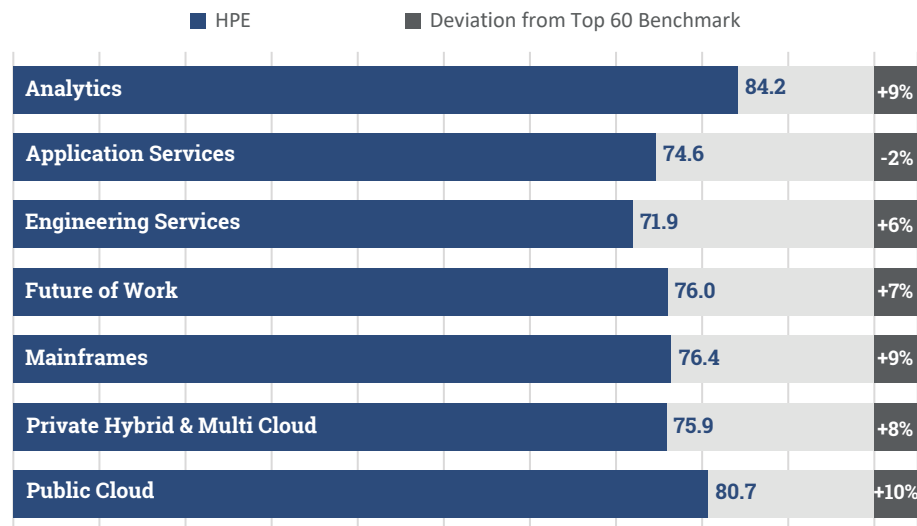
Key technologies that HPE was benchmarked on were analytics, application services, engineering services, future of work, mainframes, private, hybrid & multi cloud and public cloud. It is worth mentioning that HPE received the highest score of 84.2 for its analytics services.

Other areas where HPE received high scores included public cloud, mainframe and future of work, at 80.7, 76.4 and 76, respectively. Further analysis of the average scores attained by the top 60 companies would reveal that analytics and application services had the highest benchmarked scores of 76.8 and 76.1, respectively.

Although HPE's scores for its public cloud, mainframe, and private hybrid & multi cloud solutions were not as high as the scores it achieved for its analytics services, it's scores were 10%, 9%, and 8% higher than the average scores attained by the top 60 companies.

While HPE also received a high score of 74.6 for its application services, it was less than the average score of 76.1 attained by the top 60 companies. HPE should therefore improve its application development services to enhance its customer perception.

Customer Experience Scores by Technology



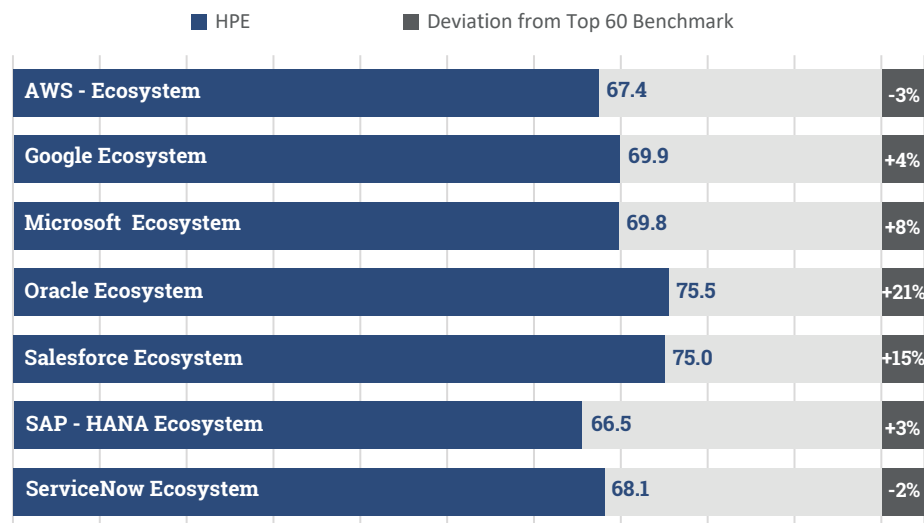
CX Scores by Ecosystem

The key vendors HPE has partnered with include AWS, Google, Microsoft, Oracle, Salesforce, SAP and ServiceNow. The provider received high scores from its customers for its vendor-specific services. HPE received the highest score for its Oracle solutions. HPE's high score for its services against the average score of 59.7 of the top 60 companies highlights the substantial degree of customer satisfaction for its line of services. Other vendor-specific solutions from HPE that received high marks from the end user include Salesforce, Google and Microsoft.

A (cloud) tech provider ecosystem follows the partners of a technology provider that is active in the SW/HW or XaaS business and serves the global or regional market through partners. The partners are responsible for consulting,

implementation, integration and managed services. The respective partner programs of the tech providers always have different facets, but all follow the same goal: to establish, expand and intensify partnerships with service providers in order to attract more clients and further expand existing clients.

Customer Experience Scores by Ecosystem



CX Scores by Emerging Tech

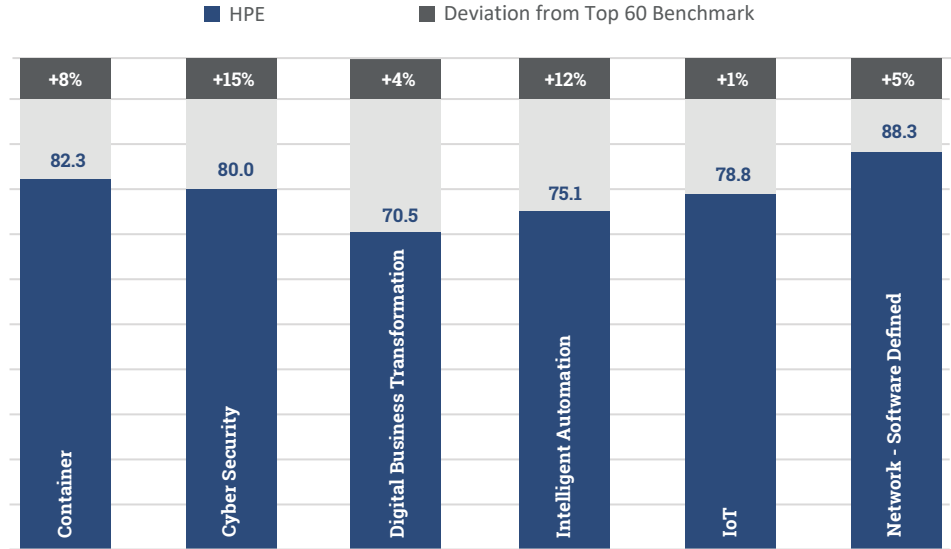
HPE has fared well in emerging technologies, attaining scores higher than the benchmark across container, cybersecurity, digital business transformation, intelligent automation, IoT and software-defined networks. HPE received the highest score of 88.3 from its customers for its software defined network solutions. Customers are happy with HPE's focus on edge computing, along with its many dedicated channels of distributors and resellers.

While HPE received the highest score for its software-defined network services, the scores it received for its cybersecurity and intelligent automation services were 15% and 12% higher than the average score attained by the top 60 benchmarked companies.

HPE also received a high score of 78.8 for its IoT services. Initiatives such as improving the degree of system integration during deployment, enhancing the talent of its FTE and improving the security of its IoT solutions have helped it attain a high score from its customers.

At 70.5, HPE's score for its digital business transformation solutions were lower than its other emerging technology solutions. HPE can further improve its transformation capabilities by strengthening its partnerships with key hyperscalers.

Customer Experience Scores by Emerging Tech



Client Speak

“HPE provides a top notch storage foundation, is always safe and will power the upcoming wave of cloud and intelligent edge options.”

“HPE is able to provide comprehensive and accurate data and continuous innovation to help me achieve business value.”

“We learned better practices from HPE than we had before, thanks to their friendly staff.”

“It is always safe and offers high-end storage platform to drive the next wave of the Intelligent Edge and cloud choices.”



Appendix

ISG Star of Excellence™
Benchmark Report



Number of Responses

By Technology

| | |
|-------------------------------|-----|
| Public Cloud | 339 |
| Enterprise Service Management | 313 |
| Application Services | 271 |
| Private Hybrid & Multi Cloud | 265 |
| Analytics | 252 |
| Finance and Accounting | 242 |
| Future of Work (Workplace) | 234 |
| Contact Center/ CX Services | 225 |
| Mainframe | 197 |
| Engineering Services | 178 |
| Marketing Technology Services | 178 |
| Procurement Services | 161 |
| Payroll | 148 |
| Talent Management/HR | 71 |

By Cloud Ecosystem Partners

| | |
|----------------------|-----|
| Microsoft Ecosystem | 336 |
| Oracle Ecosystem | 277 |
| Google Ecosystem | 253 |
| Salesforce Ecosystem | 248 |
| SAP - HANA Ecosystem | 217 |
| AWS - Ecosystem | 195 |
| ServiceNow Ecosystem | 159 |
| Workday Ecosystem | 98 |

By Emerging Technologies

| | |
|---------------------------------|-----|
| Cyber Security | 374 |
| Digital Business Transformation | 308 |
| Intelligent Automation | 259 |
| Network - Software Defined | 234 |
| Container | 209 |
| IoT | 208 |

By Roles

| | |
|---------------------------|-----|
| ITO and Shared Services | 721 |
| Non-IT business functions | 342 |
| Procurement/VMO | 344 |
| Line of Business/Others | 136 |



Number of Responses

By Industry

| | |
|------------------------------------|-----|
| Business Services | 296 |
| Financial Services | 213 |
| Retail | 167 |
| Manufacturing | 147 |
| Consumer Packaged Goods | 127 |
| Insurance | 111 |
| Healthcare | 81 |
| Energy | 63 |
| Travel, Transportation and Leisure | 59 |
| Other | 55 |
| Pharmaceuticals and Life Sciences | 50 |
| Public Sector | 36 |
| Telecom and Media | 19 |

By Region

| | |
|-------------------------|-----|
| North America | 897 |
| Western Europe | 654 |
| Asia | 518 |
| Eastern Europe | 475 |
| Central / South America | 325 |
| Middle East | 258 |
| Australia / New Zealand | 244 |
| Africa | 219 |

By Consolidated Region

| | |
|----------|------|
| EMEA | 1606 |
| Americas | 1222 |
| APAC | 762 |

By Revenue

| | |
|-------------|------|
| <1000 | 1204 |
| 1,000-5,000 | 316 |
| 5,000+ | 166 |

*in Million (\$US)



For the ISG Star of Excellence™ program client experience information is solicited through an ongoing survey. ISG also gathers information from an independent channel via a public client link. In addition, providers can nominate clients to participate in the program through a dedicated microsite. Each client representative appointed through the microsite receives a unique URL via email to verify the nominee's identity. As a benefit for participating in the survey, the nominated clients receive a complimentary copy of an ISG Provider Lens™ report that is most relevant to them.

Survey period: The ISG Star of Excellence™ survey is open throughout the year. Once a year, the information collected is assessed to recognize providers that stand out in different categories with related awards.

Quality checks: The information received from the clients undergoes thorough quality checks to ensure the validity of responses from clients.



CX categories: ISG identifies six categories that define enterprise CX. In the survey, ISG asks enterprises to provide an **importance score** for each category. Then the enterprise clients rate their service provider, with a **satisfaction score**, for performance along each category.

The CX score is calculated in the following way:

ISG Star of Excellence™ CX Score

= Weighted average satisfaction and importance scores for six categories.

- The **satisfaction score** is the customer experience score for each of the six categories as rated by a client
- The **importance score** as rated by a client is the importance given to each of the six categories

CX scores are scaled to highlight differentiation among providers.

The providers that have nominated clients in the program see diverse client responses and may have a slight advantage.

Net Promoter Score (NPS) analysis:

The NPS question asks participants how likely they are to recommend a provider to a friend or colleague on a 0 to 10-point scale. Based on the response, participants are categorized into Promoters (scores of 9 or 10), Passives (scores of 7 to 8) or Detractors (scores of 0 to 6). The NPS score is calculated by subtracting the percentage of Detractors from the percentage of Promoters.

The results from the ISG Star of Excellence™ survey are consolidated to form a benchmarking parameter along which provider results can be compared. Qualitative analysis of the open-ended feedback is integrated with quantitative results to derive critical insights for individual providers, technologies and geographies.

Six Categories of Enterprise CX

Collaboration and Transparency



Execution and Delivery



People and Cultural Fit



Governance and Compliance



Innovation & Thought Leadership



Business Continuity and Flexibility



Eligibility criteria for ISG Star of Excellence™ Awards:

Providers need to have a minimum of 30% of responses via the public link. In addition, each category has the following eligibility criteria.



Universal Region Category:

Minimum 20 responses
Above average CX scores for each region
Top three providers with highest CX scores win the award

Region Category:

Received above average number of responses for respective region
Received above average CX score for respective region
Provider with highest CX score wins the award



Universal Industry Category:

Minimum 10 responses across industries
Responses in 75% industries covered
Above average CX scores across industries
Top three providers with highest CX scores win the award

Industry Category:

Responses from respective industries
Above average CX score for respective industry
Provider with highest CX score wins the award



Universal Technology Category:

Minimum 20 responses across technologies
Responses in 75% technologies covered
Above average CX scores across technologies
Top three providers with highest CX scores win the award

Technology Category:

Responses from respective technology
Above average CX score for respective technology
Provider with highest CX score wins the award



Universal Emerging Technology Category:

Minimum 20 responses across all emerging technologies
Responses for each emerging technology
Above average CX scores across all emerging technologies
Top three providers with highest CX scores win the award

Emerging Technology Category:

Responses from respective technology
Above average CX score for respective technology
Provider with highest CX score wins the award



Overall Category:

Minimum 20 responses
At least 30 % response from independent source
Above average overall CX score
Customer response coverage across all regions, 75% industries and technologies
Top three providers with highest CX scores win the award



Survey Questionnaire

1. Choose the role that best represents your position.
2. How many employees does your company have?
3. In which regions does your business conduct business?
4. What are your company's annual revenues? (optional)
5. Please select your company's primary industry segment.
6. Which country or region is your business headquartered in?
7. Which of the following best describes your primary role in the management of Service Delivery from [PROVIDER]?
8. [PROVIDER] has nominated you to rate the following service [CONTEXT]. Please continue by clicking the forward button or select additional services.
9. Please provide an estimate of the portion of the work performed by [PROVIDER] which is performed in each of the following locations. Please answer for what was standard before COVID.
10. Please select which "Service" [PROVIDER] is performing for you.
11. Of the services that [PROVIDER] provides, please rate the following categories of service delivery from most important, to least important.
12. How successful has [PROVIDER] been at the following components of service delivery & execution?
13. How successful has [PROVIDER] been at the following components of collaboration and transparency?
14. How successful has [PROVIDER] been at the following components of governance and compliance?
15. How successful has [PROVIDER] been at the following components of innovation & thought leadership?
16. How successful has [PROVIDER] been at the following components of people & cultural fit?
17. How successful has [PROVIDER] been at the following components of business continuity and flexibility?
18. On a scale from 0-10, how likely are you to recommend [PROVIDER] to another business or colleague?

Thank you very much for your participation on behalf of [PROVIDER]. Please click "Next" below to finish your responses and receive your complimentary ISG Provider Lens reports.



Author & Editor Biographies

Author



Rohan Thomas
Senior Lead Analyst

Rohan Thomas has nearly a decade's worth of knowledge expertise in the realms of ICT, which include telecommunications, data centers, and networks and application performance management. At ISG, Rohan is the lead analyst for ISG Provider Lens™, leading research activities and benchmarking exercises pertaining to the regional adoption of digital infrastructure such as private/hybrid cloud.

He has a Bachelor's degree in Mechanical Engineering from Visveswaraya Technological University and a Master's degree in Computer Aided Design and Manufacturing from Vellore Institute of Technology.

Data Analyst



Kiran B
Data Analyst

Kiran works as a Data Analyst and has a professional experience of 7+ years. He has pursued master's in Computer Vision and has worked in multiple fields such as IT and Hospitality.

He has worked on market segmentation, customer segmentation and derived insights from customer data and had used it to generate additional revenue.

He is passionate about research and interested in advanced exploratory data analysis using ML algorithms. He has also worked on data science projects such as 'Time Series Forecasting' and 'Natural Language Processing' using Neural Networks. He is currently responsible for data insights derivation and task automation using Python.





*SOE Product Owner,
Editor*

Heiko Henkes
Director & Principal Analyst,
Global IPL Content Lead

Heiko Henkes is a Director and Principal Analyst at ISG; in his role as Global ISG Provider Lens™ (IPL) Content Lead and Program Manager, he is responsible for strategic business management and acts as thought leader for IPL Lead Analysts. In his role as ISG Star of Excellence™ (SOE) Product Owner, he leads the program design and IPL integration. His core competencies are in the areas of defining derivations for all types of companies within their IT-based business model transformation.

Within this context, Mr. Henkes supports companies to undergo continuous transformation, combining IT competencies with sustainable business strategies and change management. He acts as Keynote speaker in the context of digital innovation.





DECEMBER, 2022

2022 ISG STAR OF EXCELLENCE™ BENCHMARK REPORT