



Market Update

Salesforce Services

Report Abstract

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3 pages

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Who is this Market Update for?

NelsonHall's market update for Salesforce Services is designed for:

- Sourcing managers investigating sourcing developments within IT services
- Vendor marketing, sales, and business managers developing strategies to target service opportunities within IT services and digital/cloud/SaaS
- Financial analysts and investors specializing in the IT services sector.

Key Findings & Highlights

This report provides an update to NelsonHall's assessment of the Salesforce services market in the light of Salesforce's strategic shift from revenue growth to profitability.

Salesforce has entered a period of a revenue growth slowdown. Under pressure from its activist investors, the company now favors profitability improvement over revenue growth. Salesforce is making structural changes that will impact its expansion: it is reducing costs and its office footprint, laying off 8k employees. The company is also significantly decreasing its R&D costs, from 17% in FY22 to 12% in Q1 FY24. Salesforce now wants to be selective in its product investments.

Scope of the Report

This Market Update report updates NelsonHall's assessment of Salesforce services market, including:

- A recap of the key points from our last market assessment
- A summary of Salesforce's strategic shift
- A brief analysis of how the Salesforce industry must respond to Salesforce's shift.

About The Author

Dominique Raviart is the IT Services Practice Director at NelsonHall, with global responsibility for IT Services research programs.

Dominique covers IT Services research in the areas of Software Testing/QA, Big Data and Analytics Services, Salesforce services, and IoT Services. Dominique has been part of NelsonHall's IT Services analyst team since 2007, providing comprehensive and insightful coverage of IT services markets in the world.

Dominique assists both buy-side and vendor organizations in assessing opportunities and supplier capability across IT service lines.

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We would be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager: Guy Saunders at guy.saunders@nelson-hall.com

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