



# **Application Modernization Services – PEAK Matrix™**

## **Assessment and Market Trends 2017:**

### **“Think Digital, Rethink Modernization”**

Application Services (AS)

Market Report – November 2017: Complimentary Abstract / Table of Contents

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## Subscription information

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\* Banking, financial services, and insurance

## Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment



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# Background of the research

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- Enterprises are modernizing their applications portfolio to improve business agility, operational efficiency, customer experience, and adherence to regulatory requirements, among other drivers. They are revisiting their modernization agenda to ensure that they are leveraging new, emerging technologies to maximize the value of their investments
- Service providers, on the other hand, are expanding the breadth of their application modernization services portfolio, largely driven by the demand on the plethora of technologies that are upending traditional constructs of modernization
- In this research, we present assessment and detailed profiles of 15 application modernization service providers featured on the application modernization services PEAK Matrix. Each service provider profile provides a comprehensive picture of its service focus, key Intellectual Property (IP) / solutions, domain investments, key partners, and recent developments
- The assessment is based on Everest Group's annual RFI process for the calendar year 2017, interactions with leading application modernization services providers, client reference checks, and analysis of the application modernization services market

## Scope of this report

- **Services:** Application modernization services
- **Geography:** Global
- **Service providers:** 15 leading application modernization service providers

## The scope and methodology of this report includes:

- Service provider briefings (focused on application modernization)
- Ongoing buyer surveys and interactions (includes drivers, challenges, outcomes, and investment priorities of enterprises for application modernization)
- Everest Group's proprietary transaction intelligence database that tracks publicly-announced IT deals

# Overview and abbreviated summary of key messages (page 1 of 2)

This report examines the global application modernization service provider landscape and assesses providers on Everest Group's PEAK Matrix. It focuses on major providers of application modernization services, capturing details of each service provider in its profile. Each service provider profile provides a comprehensive picture of its service focus, key Intellectual Property (IP) / solutions, domain investments, key partners, and recent developments.

The report also provides findings from ongoing interactions with enterprises pertaining to application modernization. It analyses enterprise priorities, market dynamics, investment agenda, typical approaches, and impact of emerging technologies on the application modernization landscape. The report also identifies key implications of the research findings for buyers and service providers of application modernization.

**Some of the findings in this report, among others, are:**

## Factors driving application modernization

- Industry consolidation is a major driver for enterprises to adopt application modernization. Regulatory requirements, competitive positioning, and new business models are other business drivers for modernization
- While some enterprises adopt modernization in order to improve their operational efficiency and reduce technology consumption costs (e.g., mainframe MIPS), some others focus on improving application performance, stability, and scalability to cater to customers' demands

## Limitations of traditional modernization

- Traditional approaches to modernization were robust yet largely incapable of adjusting to dynamic changes in requirements, limiting agility
- Lack of enterprise vision and strategy for modernization led to integration challenges, limiting on-demand scalability
- Modernization engagements often extend over long periods of time, making it difficult to monitor implementation efficiency and return on investments, denting management confidence

# Overview and abbreviated summary of key messages (page 2 of 2)

## Modern themes enabling application modernization

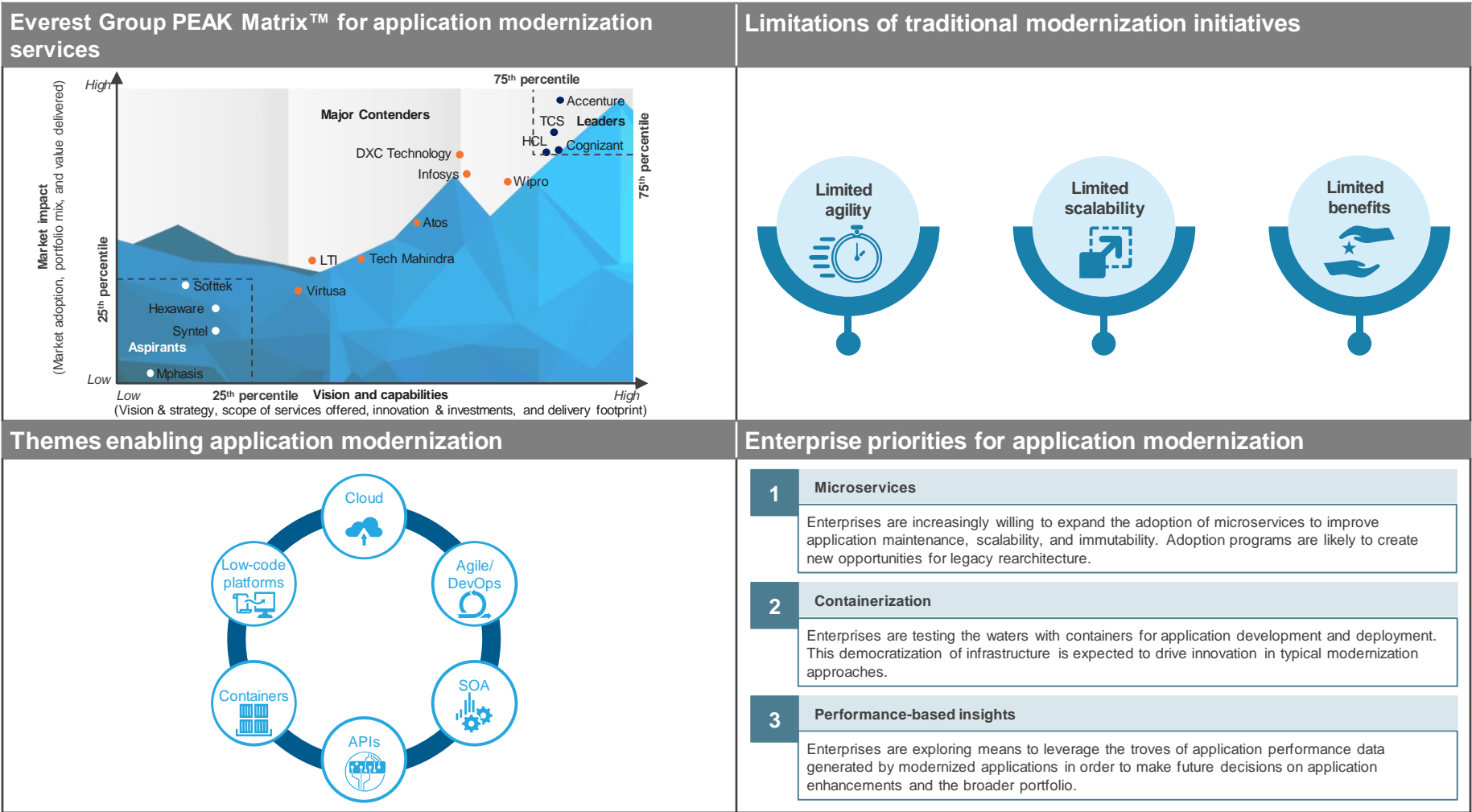
- The rise of modern technologies delivered in rapid iterative constructs is changing the modernization ecosystem, allowing enterprises to leverage these technologies across their portfolio
- Enterprises believe that these next-generation technologies have the potential to improve their core business objectives through modernization initiatives

## Enterprise priorities for application modernization

- Microservices, containers, and analytics remain top priorities for enterprises in their evolution of application modernization across their portfolio
- Enterprises are exploring modern technologies to expand the scope of their modernization agenda



# This study provides a deep dive into key aspects of the application modernization market; below are four charts to illustrate the depth of the report

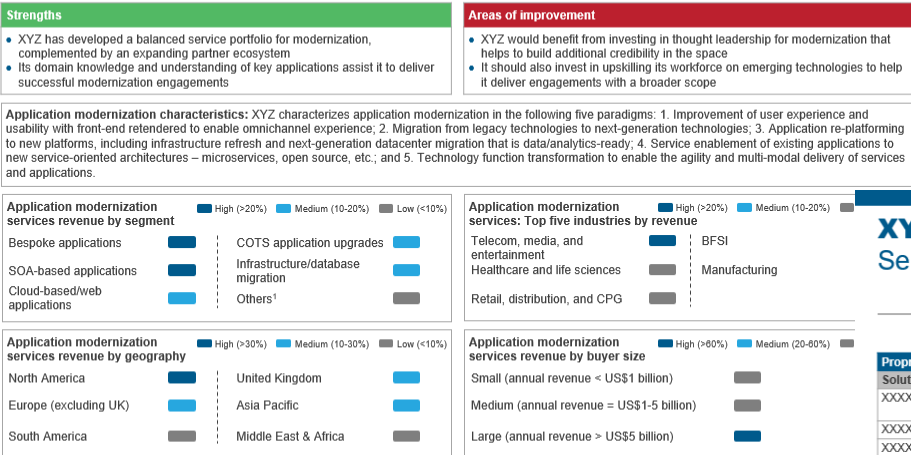


Source: Everest Group (year)

# The application modernization services report has 15 service provider profiles

## XYZ | Application modernization services profile (page 1 of 2)

### Overview



Source: Everest Group (2017)



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## XYZ | Application modernization services profile (page 2 of 2)

### Service offerings and developments

NOT EXHAUSTIVE

Proprietary solutions (representative list)	
Solution	Details
XXXXX	Legacy application analysis and documentation tool that assists users in analysis, reverse engineering, and documentation of legacy applications; reduces manual efforts by 20-30%
XXXXX	Batch reporting tool that aids in performance tuning of mainframe batch applications
XXXXX	Migration tool designed to migrate Natural/ADABAS application source to target platform encompassing CICS, DB2, and COBOL; reduces manual efforts by up to 50%
XXXXX	Tool assists in migrating CSP programs to COBOL-CICS; reduces manual efforts by up to 30%
XXXXX	Database migration tool that helps to migrate databases and files; reduces manual efforts by up to 50%
XXXXX	Helps to offload mainframe development and test workloads off the mainframe and virtualize required services; reduces development and test MIPS; also enables Agile/DevOps development through CI/CD adoption
Partnerships (representative list)	
Partner name	Details
XXXXX	Tool-based legacy code migration to .NET and Java; reduces coding efforts by 80%
XXXXX	Tool-based legacy code migration to Java; reduces coding efforts by 80%
XXXXX	Application rehosting for legacy technologies with a low-cost option to exit mainframes in a short duration
XXXXX	Leverages partnership to reengineer legacy applications and secure high-quality application documentation with quick turnaround time through tool-based reverse engineering and migration
Additionally, Tech Mahindra has also partnered with Oracle, SAP, Microsoft, IBM, Micro Focus, and CipherSoft Tools, among others.	
Talent investments (representative list)	
Investments	
Trained resources on legacy technologies to meet client demand; also established CoEs for mainframe, .NET, Java, data migration, and SAP for legacy modernization; also established a dedicated team to develop in-house tools to aid in legacy modernization; invested in training resources on next-generation technologies.	
Other investments / recent activities (representative list)	
Activity	
Participated in partner events and launched marketing initiatives including campaigns to promote offerings.	

Source: Everest Group (2017)



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Source: Everest Group (year)





# Research calendar – Application Services (AS)

■ Published   ■ Planned   ■ Current release

## Flagship Application Services reports

Release date

Application Services Annual Report .....	April 2017
Independent Testing Services PEAK™ Matrix Assessment .....	May 2017
Automation in IT Application Dev-Test PEAK™ Matrix Assessment .....	June 2017
Workday HCM IT Services PEAK™ Matrix Assessment .....	June 2017
<b>Application Modernization Services – PEAK Matrix™ Assessment and Market Trends 2017: “Think Digital, Rethink Modernization” .....</b>	<b>November 2017</b>
IT Application Automation (For ISVs) PEAK™ Matrix Assessment .....	Q4 2017

## Thematic Application Services reports

Release date

Customer (Dis)Satisfaction: Why Are Enterprises Unhappy with Their Service Providers? .....	January 2017
Cracking the IT Innovation Code .....	February 2017
How to Innovate – A Comprehensive Guide to Innovation in Application Services .....	March 2017
Upcoming Contract Renewals – Application Services .....	March 2017
Quality Orchestration: QA in the Digital Era .....	July 2017
Contracting for Agile .....	Q4 2017

Note: For a list of all AS reports published by us, please refer to [website page](#)

# Additional research references

The following documents are recommended for additional insight into the topic covered in this research. These documents either provide additional details on the topic, or complementary content that may be of interest

1. **Automation in IT Application Dev-Test – PEAK Matrix™ Assessment for solutions: Cognitive paving the way to smart automation** :([EGR-2017-4-R-2224](#)); 2017. The concept of automation has been around for long, specifically in context of automating manual tasks in Software Development Life Cycle (SDLC) such as code build and test execution. However, we are now witnessing an increasing demand for automating not just repetitive tasks, but decision making and optimization. This research presents an assessment and detailed profiles of 12 IT service providers featured on Everest Group's PEAK Matrix for application dev-test automation for 2017.
2. **Application Services Annual Report 2017 – Artificial Intelligence (AI) in SDLC? There is a long journey ahead:** ([EGR-2017-4-R-2145](#)); 2017. This annual research delves into the application services landscape to provide data-driven facts and perspectives related to the market. It covers AS adoption trends, demand drivers, and potential of AI in the enterprise landscape. The research also analyzes market trends across geographies, industries, and buyer sizes, and provides an outlook for 2017-2018.

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