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RESEARCH

# Digital Services – PEAK Matrix™ Assessment and Market Trends 2019: Design and Innovation to Power the Next Wave of Digital

Digital Services
Market Report – December 2018: Complimentary Abstract / Table of Contents

Everest Group®
PEAK MATRIX™


EGR-2018-33-CA-2876

# Our research offerings for global services

- **Market Vista™**
  Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

- **Application Services**
- **BPS | Banking & Financial Services**
- **BPS | Healthcare & Life Sciences**
- **BPS | Insurance**
- **Catalyst™**
- **Cloud & Infrastructure**
- **Customer Experience Management Services**
- **Data & Analytics**
- **Digital Services**
- **Engineering Services**
- **Finance & Accounting**
- **Human Resources**
- **ITS | Banking & Financial Services**
- **ITS | Healthcare & Life Sciences**
- **ITS | Insurance**
- **IT Services Executive Insights™**
- **Locations Insider™**
- **PricePoint™**
- **Procurement**
- **Recruitment & Talent Acquisition**
- **Service Optimization Technologies**

## Membership information

- This report is included in the following research program(s)
  – **Digital Services**
- **If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com, unitedkingdom@everestgrp.com, or india@everestgrp.com**

## More about membership

In addition to a suite of published research, a membership may include

- Price book
- Accelerators™
- Data cuts
- Analyst access
- Virtual Roundtables
- Workshops

## 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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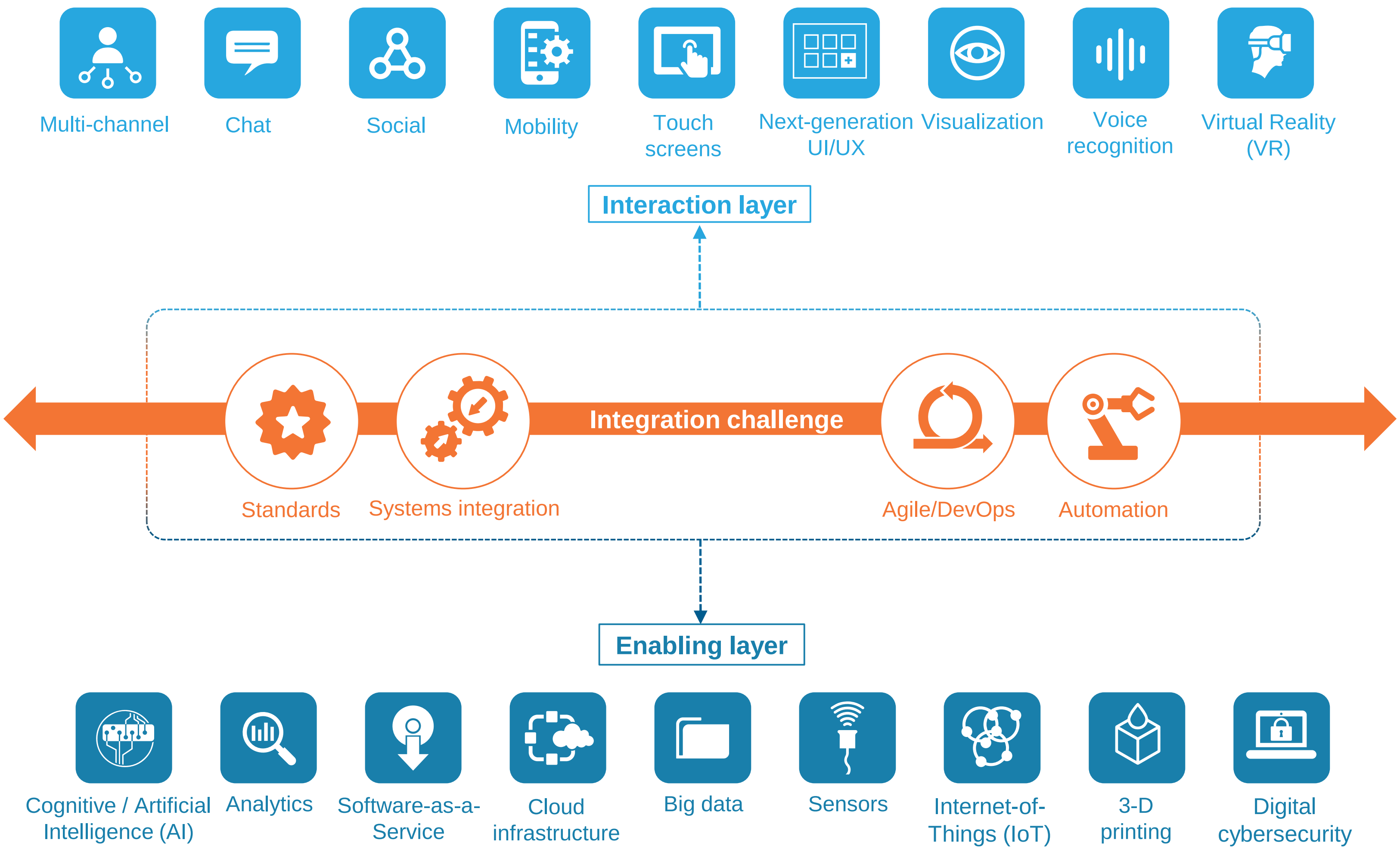
# Everest Group's definition of digital services




Source: Everest Group (2018)

# Background of the research

Digital adoption has been the bedrock of enterprise growth strategy in recent years, with the objective of optimizing processes, reducing cost, and delivering better customers experience, eventually culminating into accelerated revenue growth. However, enterprises are realizing the need for a transformational approach to digital adoption, rather than investing in incremental developments. Our research of 150+ digital engagements indicates that about 30% of the digital initiatives now have a centrally driven transformation objective to reimagine processes, improve the business models, and redefine customer journeys.

For realization of this objective, design-led approach and impactful innovation is increasingly becoming a key customer imperative. Collaborative innovation to achieve tangible outcomes is being expected by enterprises and progressively becoming the differentiating factor for service providers. Service providers, having made a slew of design-focused investments in the past need to step up to deliver quantified and measurable business impact for the customers.

In this research, we present an assessment and detailed profiles of 24 digital service providers featured on the digital services PEAK Matrix™. Each service provider profile provides a comprehensive picture of its service focus, key Intellectual Property (IP) / solutions, domain investments, as well as two case studies. Through our interaction with over 45 digital heads / CIOs of we have also consolidated the best design and innovation practices for service providers and enterprises need to follow in this report. The assessment is based on Everest Group's annual RFI process for the calendar year 2018, interactions with leading digital services providers, client reference checks, and an analysis of the digital services market

**Scope of this report**

- **Services:** Digital services
- **Geography:** Global
- **Service providers:** 24 leading digital service providers

**This report includes the profiles of the following 24 leading digital service providers featured on the digital services PEAK Matrix™:**

- **Leaders:** Accenture, Cognizant, Deloitte Digital, IBM, TCS, Wipro
- **Major Contenders:** Atos Syntel, DXC Technology, Genpact, HCL Technologies, Infosys, LTI, Mphasis, NTT DATA, PwC Digital, Tech Mahindra, Softtek, Virtusa, Zensar
- **Aspirants:** Aspire Systems, GAVS Technologies, Sasken, Stefanini, and Yash Technologies

# This report is based on four key sources of proprietary information

- **Buyer reference interviews, ongoing buyer surveys, and interactions**
  - Drivers and challenges for adopting workplace services
  - Assessment of service provider performance
  - Emerging priorities
  - Lessons learnt and best practices

- Proprietary database of IT services contracts of major IT service providers with workplace services in scope of work (updated annually)
- The database tracks the following elements of each contract:
  - Buyer details including size and signing region
  - Contract details including service provider, contract type, TCV & ACV, service provider FTEs, start & end dates, duration, and delivery locations
  - Scope details including share of individual buyer locations being served in each contract, Line of Business (LOB) served, and pricing model employed

- Proprietary database of IT service providers (updated annually)
- The database tracks the following for each service provider:
  - Revenue and number of FTEs
  - Number of clients
  - FTE split by different lines of business
  - Revenue split by region
  - Location and size of delivery centers
  - Technology solutions developed

- **Service provider briefings**
  - Vision and strategy
  - Annual performance and future outlook
  - Key strengths and improvement areas
  - Emerging areas of investment

**Service providers assessed[1]**

accenture
aspire SYSTEMS
Atos
Cognizant
Deloitte.
DXC.technology
GAVS
genpact
HCL
IBM
Infosys
LTI
Mphasis Unleash the Next
NTT Data
pwc
SASKEN
stefanini
Softtek
TATA CONSULTANCY SERVICES
Tech Mahindra
virtusa Accelerating Business Outcomes
wipro
YASH Technologies More than what you think.
Zensar TECHNOLOGIES

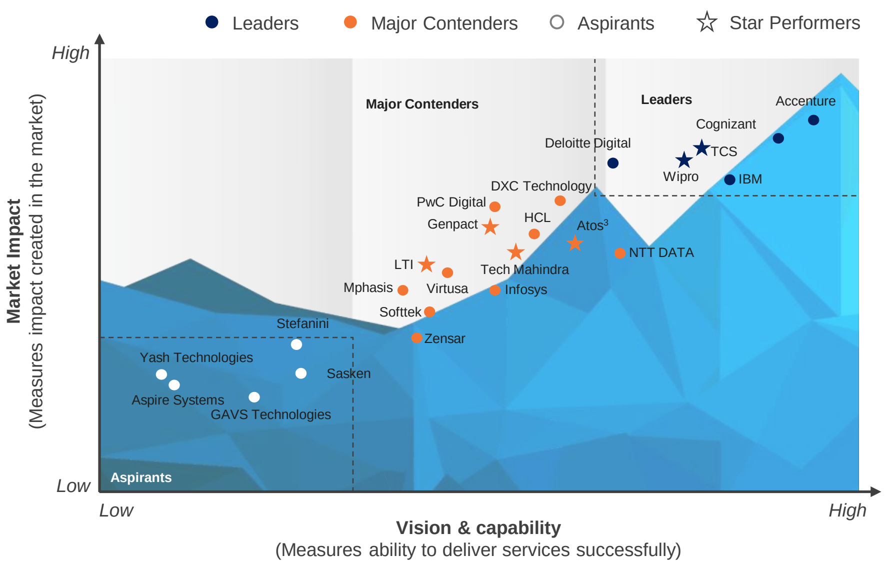
Note: Assessment for IBM, Infosys, PwC Digital, and Deloitte Digital excludes service provider inputs on this particular study, and is based on Everest Group's estimates that leverage its proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, service provider public disclosures, and interaction with buyers

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any information we collect that is contract specific will only be presented back to the industry in an aggregated fashion

# This study offers deep dive into key aspects of digital services market; below are charts to illustrate the depth of the report

## Assessment of Digital Services PEAK Matrix™

**Everest Group Digital Services - PEAK Matrix™ Assessment and Market Trends 2019[1,2]**




1 PEAK Matrix™ specific to digital services
2 Assessment for IBM, Infosys, PwC Digital, and Deloitte Digital excludes service provider inputs on this particular study, and is based on Everest Group's estimates that leverage its proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, service provider public disclosures, and interaction with buyers
3 Atos completed Syntel's acquisition in October 2018 and the impact is reflected in our assessment

## Capability assessment

*Illustrative example*

**Measure of capability:** High Low

| | Market impact | | | | Vision & capability | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service provider | Market adoption | Portfolio mix | Value delivered | Overall | Scope of services offered | Innovation and investments | Delivery footprint | Vision and strategy | Overall |
| Service provider 1 | | | | | | | | | |
| Service provider 2 | | | | | | | | | |
| Service provider 3 | | | | | | | | | |
| Service provider 4 | | | | | | | | | |
| Service provider 5 | | | | | | | | | |
| Service provider 6 | | | | | | | | | |
| Service provider 7 | | | | | | | | | |
| Service provider 8 | | | | | | | | | |
| Service provider 9 | | | | | | | | | |

## Everest Group's remarks on service providers

*Illustrative example*

**Measure of capability:** High Low

| Market impact | | | | Vision & capability | | | | |
|---|---|---|---|---|---|---|---|---|
| Market adoption | Portfolio mix | Value delivered | Overall | Scope of services offered | Innovation and investments | Delivery footprint | Vision and strategy | Overall |
| | | | | | | | | |

**Strengths**

- In addition to their technology expertise, Service Provider 1 has a strong focus on providing contextualized solutions based on industry-specific requirements
- The company has been aggressive in making investments in digital interactive, AI, and quantum computing to drive a holistic value proposition for its clients

**Areas of improvement**

- Service Provider 1 can further focus on integrating their design expertise in the present engagements and proactively offer innovation to the clients
- It needs to improve the transfer of learnings from previous engagements to its current clients

# Research calendar – Digital Services

Published | Planned | Current release

| Flagship Digital Services reports | Release date |
|---|---|
| Digital Interactive Agencies – Market Report 2018: Digital Marketing in the Cognitive Era | December 2017 |
| Enterprise Digital Adoption in Retail \| Pinnacle Model™ Analysis 2018 | March 2018 |
| Enterprise Digital Adoption in Manufacturing \| Pinnacle Model™ Analysis 2018 | April 2018 |
| Digital Services – Annual Report 2018: Future Operating Model to Scale Digital | July 2018 |
| IoT Services Annual Report 2018 | August 2018 |
| IoT Services PEAK Matrix™ Assessment and Market Trends 2018 | December 2018 |
| **Digital Services – PEAK Matrix™ Assessment and Market Trends 2019** | **December 2018** |
| Customer Experience \| Pinnacle Model™ Analysis 2018 | Q4 2018 |

| Thematic Digital Services reports | |
|---|---|
| Design Thinking: Innovation Catalyst for Digital Transformation | July 2017 |
| Enterprise Bots Adoption | July 2017 |
| BigTech Battle: Leading Internet of Things (IoT) Platforms Assessment – A Selection Guide | October 2018 |
| CX Trailblazers | Q4 2018 |
| Big Tech Wars: Digital Marketing Platforms | Q4 2018 |

Note: For a list of all Digital Services reports published by us, please refer to our website page

# Additional digital services research references

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

1. **Digital Services – Annual Report 2018: Future Operating Model to Scale Digital** (EGR-2018-33-R-2735): Most of the enterprises today fail to scale their digital transformation initiative and achieve the desired ROI on their digital investments due to misalignment between their digital strategy and operating model. In this report we have assessed the digital transformation success and failure cases of enterprises to arrive at the best practices that enterprises need to adopt for transforming their operating model into a digital operating model. The report also discusses the transformation roadmap for enterprises to achieve their target operating model

2. **Design Thinking: Innovation Catalyst for Digital Transformation** (EGR-2017-4-R-2242): Several organizations have adopted design thinking to innovate their products and services. Technology giants such as Apple, IBM, and SAP, have adopted design into their daily operations and have seen high impact on their financial results. In this research, we delve deeper into design thinking and its implications on various industries. We also deep dive into how service providers can inculcate a design-driven culture across the organization so that it is reflected in their service delivery

3. **Enterprise IoT Services – PEAK Matrix™ Assessment 2019** (EGR-2018-33-R-2871): As enterprises have witnessed positive returns from investments in IoT pilot projects, many are now embarking on the idea of transformation with connected ecosystems and large-scale rollouts. Now, role of service providers as orchestrators for IoT becomes increasingly critical, enterprises expect them to not only support in building capabilities, but also enable long-term strategic sustenance in the form of value-based managed services delivery. Service providers are expected to proactively address challenges pertaining to infusion of next-gen technologies and rising inclusion of disparate IoT systems. In this research, we present the assessment and detailed profiles of 19 IT service providers featured on the IoT services PEAK Matrix™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## About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at [www.everestgrp.com](http://www.everestgrp.com).

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