Upcoming Contract Renewals – Application Services

Application Services
Market Report – January 2019: Complimentary Abstract / Table of Contents

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**

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

Membership information

- This report is included in the following research program(s)
  – **Application 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**

Everest Group®
RESEARCH

Table of contents (page 1 of 2)

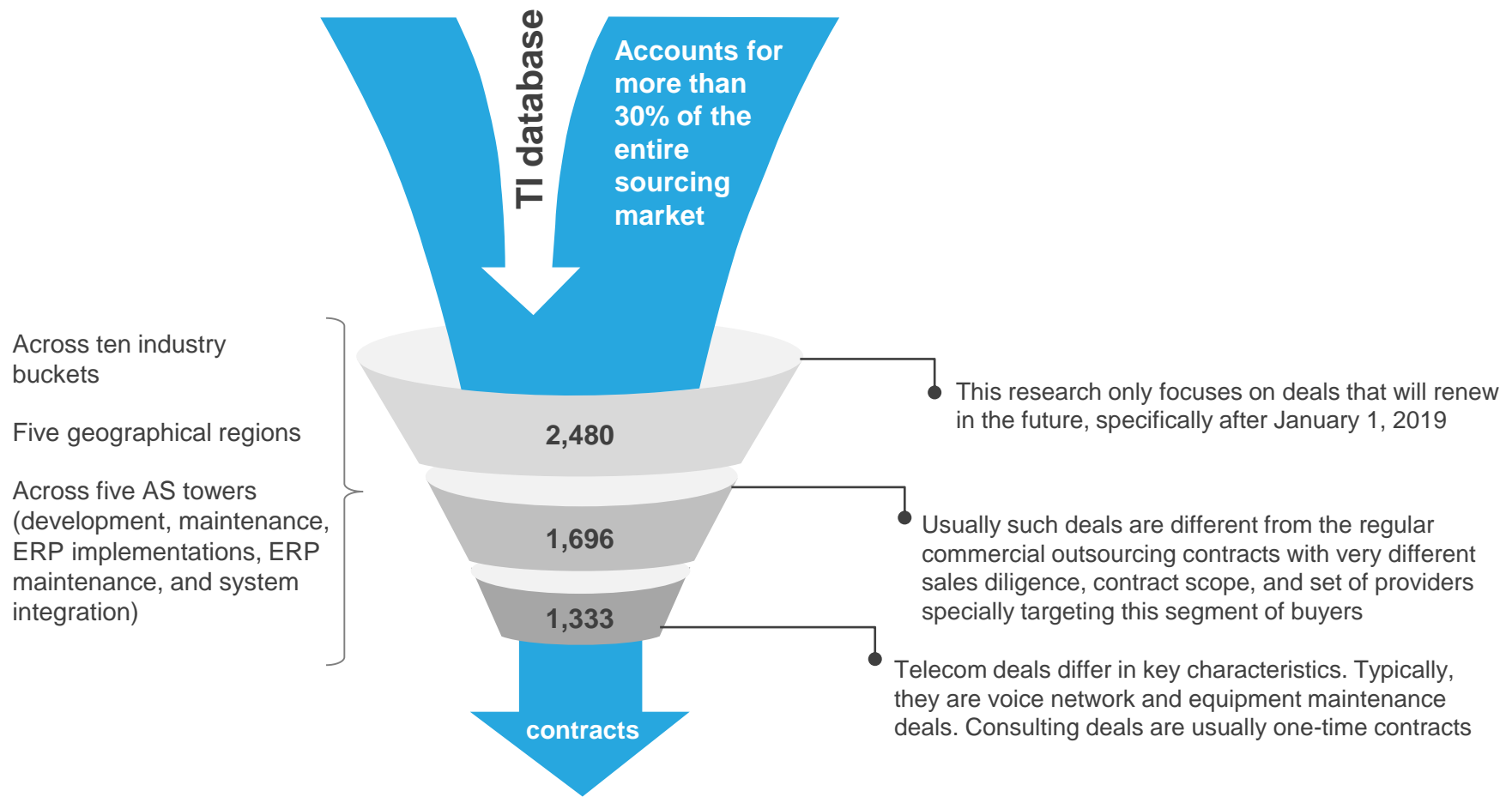# Table of contents

Background and methodology of the research

Background of the research

- The sourced services market is a large multi-billion dollar market, with deals lasting for an average of two to three years. As a result, a large portion of the market scope comes back to the planning/negotiating table as contracts keep expiring. Most of these deals had originally been procured via a competitive process involving Request for Proposals (RFPs), capability assessment, and short-listing of service providers
- Renewals and recompetes provide opportunity for non-incumbent players to expand their wallet shares amidst disruptive factors such as saturation, slowing growth rate, and newer and more agile competitors. It also allows buyers a chance to make course corrections based on lessons learned during the lifetime of the just-concluded engagement and adjust sourcing strategy to suit the current business environment
- This research analyzes renewals coming up in the next two years, with a focus on AS contracts

The scope of this report includes:

- Analysis of the ITS and BPS markets with deals in scope that are to be renewed in the future
- Key vertical, geographical, and scope-based analysis with a focus on AS and bundled contracts
- Analysis of AS and bundled contracts by scope (development, maintenance, ERP implementation, ERP maintenance, and system integration) across geographies

Everest Group®
RESEARCH

The analysis shared in this research is based on Everest Group's "Transaction Intelligence Database," the most comprehensive organized record of publicly-announced outsourcing deals

TI database

Accounts for more than 30% of the entire sourcing market

Across ten industry buckets

Five geographical regions

Across five AS towers (development, maintenance, ERP implementations, ERP maintenance, and system integration)

2,480

1,696

1,333

contracts

This research only focuses on deals that will renew in the future, specifically after January 1, 2019

Usually such deals are different from the regular commercial outsourcing contracts with very different sales diligence, contract scope, and set of providers specially targeting this segment of buyers

Telecom deals differ in key characteristics. Typically, they are voice network and equipment maintenance deals. Consulting deals are usually one-time contracts

The analysis was performed on 1,333 outsourcing deals that expire on or after January 1, 2019.

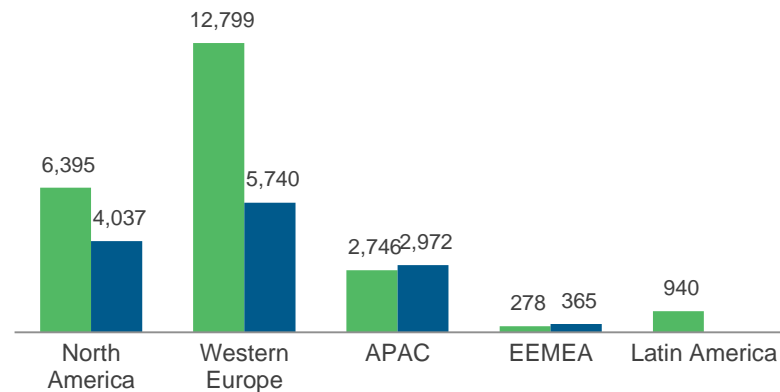# This study offers three distinct sections providing a deep dive into key aspects of upcoming contract renewals in application services market; below are four charts to illustrate the depth of the report
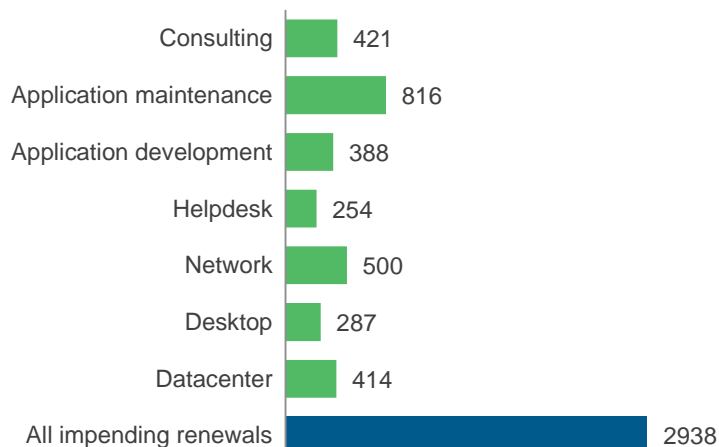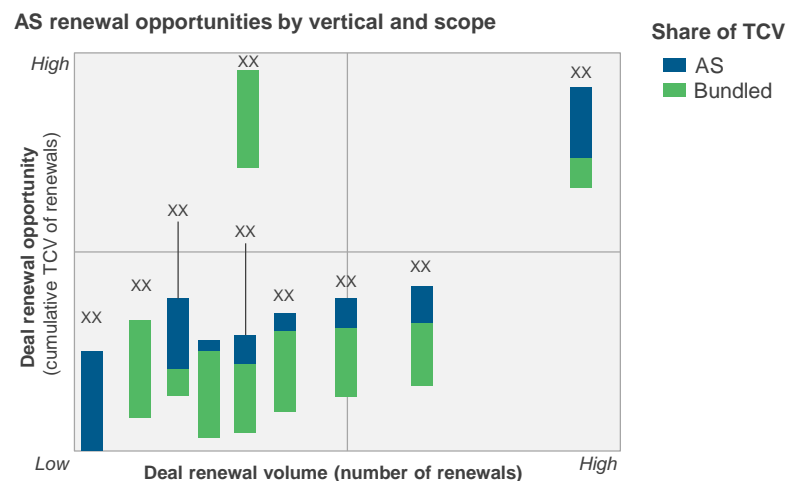
Sum of TCV of deals for renewal (US$ billion)

100% = 19

Bundled	7%
BPS	27%
ITS	66%

0-12 months
50%

50%
12-24 months

100% = 38

100% = 19

Bundled	5%
BPS	27%
ITS	68%
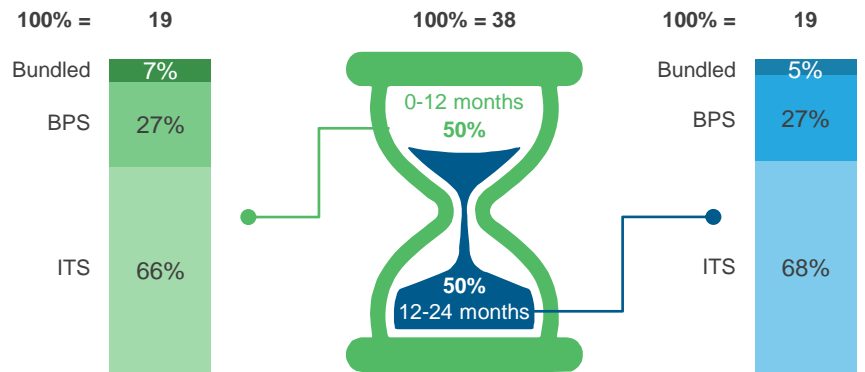
Sum of TCV of deals by signing geography – ITS (US$ billion)

Geography	Bundled	AS
North America	6,395	4,037
Western Europe	12,799	5,740
APAC	2,746	2,972
EEMEA	278	365
Latin America	940	

Deals currently running within ITS (AS + IS) - Number of deals

Consulting	421
Application maintenance	816
Application development	388
Helpdesk	254
Network	500
Desktop	287
Datacenter	414
All impending renewals	2938

AS renewal opportunities by vertical and scope

AS renewal opportunities by vertical and scope

Share of TCV
- AS
- Bundled

High

Deal renewal opportunity (cumulative TCV of renewals)

Low

Deal renewal volume (number of renewals)

Low — High

Everest Group®
RESEARCH

Research calendar – Application Services

Flagship Application Services reports	Release date
GDPR Solutions PEAK Matrix™ Assessment and Market Update 2018	June 2018
Automation Services PEAK Matrix™ Assessment and Market Update	Q1 2019
DevOps Services PEAK Matrix™ Assessment and Market Update	Q2 2019
Enterprise Application Modernization	Pinnacle Model™ Analysis 2019	Q2 2019
Cloud ERP Services PEAK Matrix™ Assessment and Market Update	Q3 2019
Enterprise QA Services PEAK Matrix™ Assessment and Market Update	Q3 2019

Thematic Application Services reports	
Enterprise Pulse – Study of digital and IT Services	January 2019
Upcoming Contract Renewals – Application Services	**January 2019**
Contracting for Agile/DevOps	Q1 2019
Application Services – Annual Report 2019	Q2 2019
Big Tech Battle for AI platforms	Q3 2019

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

Additional ITS research references

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

1. **Application Services – Annual Report 2018: "The Future of Architecture is Intelligent "** (EGR-2018-32-R-2658), 2018: Enterprises have always been challenged by the burden of legacy systems, which hinders their ability to become digital. The digital future will require enterprises to adopt a "sentient architecture" – one based on the 3D concept of design-centricity, dynamic adaptability, and discrete structures. In addition to the key trends in application services, this research provides fact-based analysis of buyer trends by geography, industry, and revenue size. It analyzes major trends impacting the application services market and provides an outlook for the year ahead

2. **Upcoming Contract Renewals – Application Services** (EGR-2017-4-R-2097), 2018: The report includes data and insights, specific to deals nearing end of term, expanding on analysis of IT and BPS deals nearing end of term by buyer geography and buyer industry, trends in AS and bundled deal renewals by buyer industry, buyer geography, and service provider category, and analysis of infrastructure services contract renewals by scope across geographies

For more information on this and other research published by Everest Group, please contact us:

Alisha Mittal, Practice Director — Alisha.mittal@everestgrp.com

Abhishek Mundra, Senior Analyst: — Abhishek.mundra@everestgrp.com

Udit Singh, Senior Analyst: — Udit.singh@everestgrp.com

Supriya Rajpal, ITS Research: — Supriya.Rajpal@everestgrp.com

Riya Munjal, ITS Research: — Riya.Munjal@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com

Everest Group®
RESEARCH

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.

Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91 806-781-9999

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

New York
info@everestgrp.com
+1-646-805-4000

Toronto
canada@everestgrp.com
+1-416-388-6765

Stay connected

Website

www.everestgrp.com

Social Media

@EverestGroup

@Everest Group

Blog

Sherpas In Blue Shirts

www.sherpasinblueshirts.com