Enterprise Pulse – Top Five Emerging Application Service Providers 2024

March 2024: Complimentary Abstract / Table of Contents

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- Retirement Technologies
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- Rewards and Recognition
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- Software Product Engineering Services
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Background of the research

- The landscape of application services is undergoing a notable transformation, marked by the emergence of AI-powered and data-driven solutions. This shift reflects a significant evolution within the industry, driven by changing market trends and an increasing demand for innovative, vertical-specific solutions. However, amidst this evolution, enterprises encounter various challenges in satisfying their customers' needs

- While overall enterprise satisfaction levels in the application services market remain high, small (annual revenues > US$1 billion) and midsized service providers (annual revenues between US$1 billion to US$10 billion), have demonstrated more prowess in enhancing satisfaction levels among enterprises through their client engagement and pricing

- Everest Group believes that it is crucial to gain a comprehensive understanding of enterprises' experiences working with various service providers. This report aims to provide valuable insights into enterprise satisfaction with small and midsized application service providers, highlighting their strengths, areas for improvement, and identifying the top five emerging service providers in the realm of application services, specifically across the service lines of application transformation, low code and quality assurance services. These providers have delivered superior buyer satisfaction across the past two years (2021, 2022 and 2023)

- The assessment draws upon a dataset comprising over 110 unique interviews with buyers of small and midsized service providers conducted between 2021 and 2023 as part of the Application Services PEAK Matrix® evaluation. These interviews were conducted across multiple Everest Group PEAK Matrix® evaluations, offering a comprehensive understanding of the evolving landscape of application services and the emerging players within it

Scope of this report

Geography	Industry	Services	Providers
Global	All industries	Application Services	29 small and midsized (annual revenues of US$10 billion or less) service providers

Overview and abbreviated summary of key messages

This report focuses on enterprise satisfaction with small and mid-sized application service providers, highlighting strengths, areas for improvement, and the top five emerging providers across application transformation, low code, and quality assurance services. Based on over 110 interviews conducted between 2021 and 2023, this assessment examines the evolving application services landscape and its emerging participants.

Some of the findings in this report, among others, are:
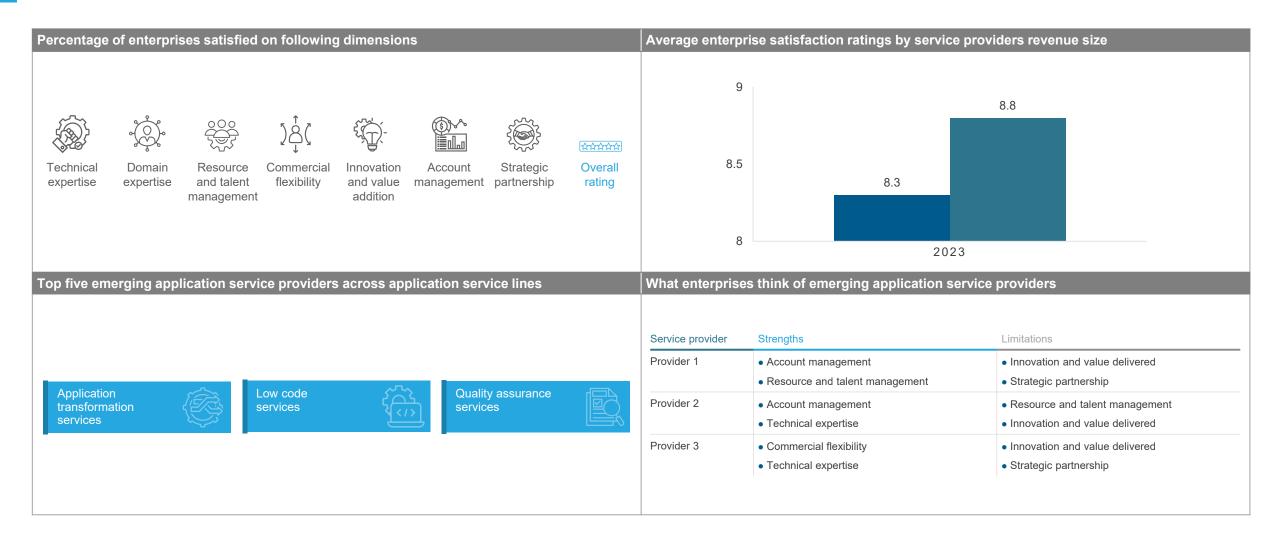
Overview of enterprise satisfaction

- Enterprise satisfaction in the application services market improved due to enhanced commercial flexibility and account management, despite challenges in technical expertise and resource management
- Small and mid-sized providers excelled in enterprise satisfaction by adopting client-centric approaches, offering flexible solutions, and maintaining competitive pricing
- Dissatisfaction with small and mid-sized providers arose from perceived gaps in domain understanding and innovation capability
- A discrepancy exists between overall satisfaction levels and those specific to small and mid-sized providers, with higher ratings given for account management, commercial flexibility, and domain expertise

Top five emerging application service providers

In this report, we feature 29 emerging application service providers and include:

- An overview of enterprise perspectives on small and mid-sized application service providers' capabilities
- An evaluation of enterprise satisfaction levels concerning their chosen application service providers
- An analysis of the top five emerging application service providers, demonstrating their ability to deliver exceptional value in application transformation, low code development, and quality assurance services across diverse industries and geographies

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This report offers two distinct chapters providing a deep dive into key aspects of the application services market; below are four charts to illustrate the depth of the report

Percentage of enterprises satisfied on following dimensions

Technical expertise

Domain expertise

Resource and talent management

Commercial flexibility

Innovation and value addition

Account management

Strategic partnership

Overall rating

Average enterprise satisfaction ratings by service providers revenue size

8.3

8.8

2023

Top five emerging application service providers across application service lines

Application transformation services

Low code services

Quality assurance services

What enterprises think of emerging application service providers

Service provider	Strengths	Limitations
Provider 1	• Account management • Resource and talent management	• Innovation and value delivered • Strategic partnership
Provider 2	• Account management • Technical expertise	• Resource and talent management • Innovation and value delivered
Provider 3	• Commercial flexibility • Technical expertise	• Innovation and value delivered • Strategic partnership

Research calendar
Application services

Reports title	Release date
Low Code Application Development Services PEAK Matrix® Assessment 2023	April 2023
Application Automation Services PEAK Matrix® Assessment 2023	May 2023
Sustainability in Software – Paving the Way for a Greener IT Landscape	June 2023
Low Code Application Development Services – Provider Compendium 2023	August 2023
Application Automation Services – Provider Compendium 2023	August 2023
Quality Engineering (QE) Specialist Services PEAK Matrix® Assessment 2023	September 2023
Application Services State of the Market 2023	September 2023
Next-generation Quality Engineering (QE) Services PEAK Matrix® Assessment 2023	October 2023
Low Code Application Development Platforms PEAK Matrix® Assessment 2023	November 2023
Next-generation Quality Engineering (QE) Services – Provider Compendium 2023	January 2024
Application Transformation Services PEAK Matrix® Assessment 2024 – North America	January 2024
Low Code Application Development Platforms – Provider Compendium 2024	February 2024
Enterprise Pulse – Top Five Emerging Application Service Providers 2024	**February 2024**
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