Analytics Business Process Services (BPS) – Service Provider Landscape with PEAK Matrix™ Assessment 2015

Market Report: February 2015 – Preview Deck

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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 and methodology of the research

Background of the research

Analytics is fast emerging as a must-have component of any solution to deliver additional value and generate strategic impact for organizations. Companies are leveraging analytics to augment their decision-support mechanism, such as assessing their business environment accurately, understanding customer needs, streamlining & automating processes, identifying underlying patterns, and predicting future trends. As a result, the demand for providers who can process structured and unstructured data effectively and obtain meaningful insights that can enable better quality decision making is now at its peak. This has spawned highly specialized analytics-focused providers at one end and pushed traditional BPO providers to augment their analytics capabilities significantly on the other.

This study assesses the analytics business process capabilities of different service providers (legacy BPO providers and analytics specialists) and evaluates their positioning on the Everest Group PEAK Matrix.

In this research, we focus on different aspects of the analytics BPS market:
- Market overview
- Service provider landscape
- Analytics BPS PEAK Matrix 2015
- Key insights on PEAK Matrix dimensions
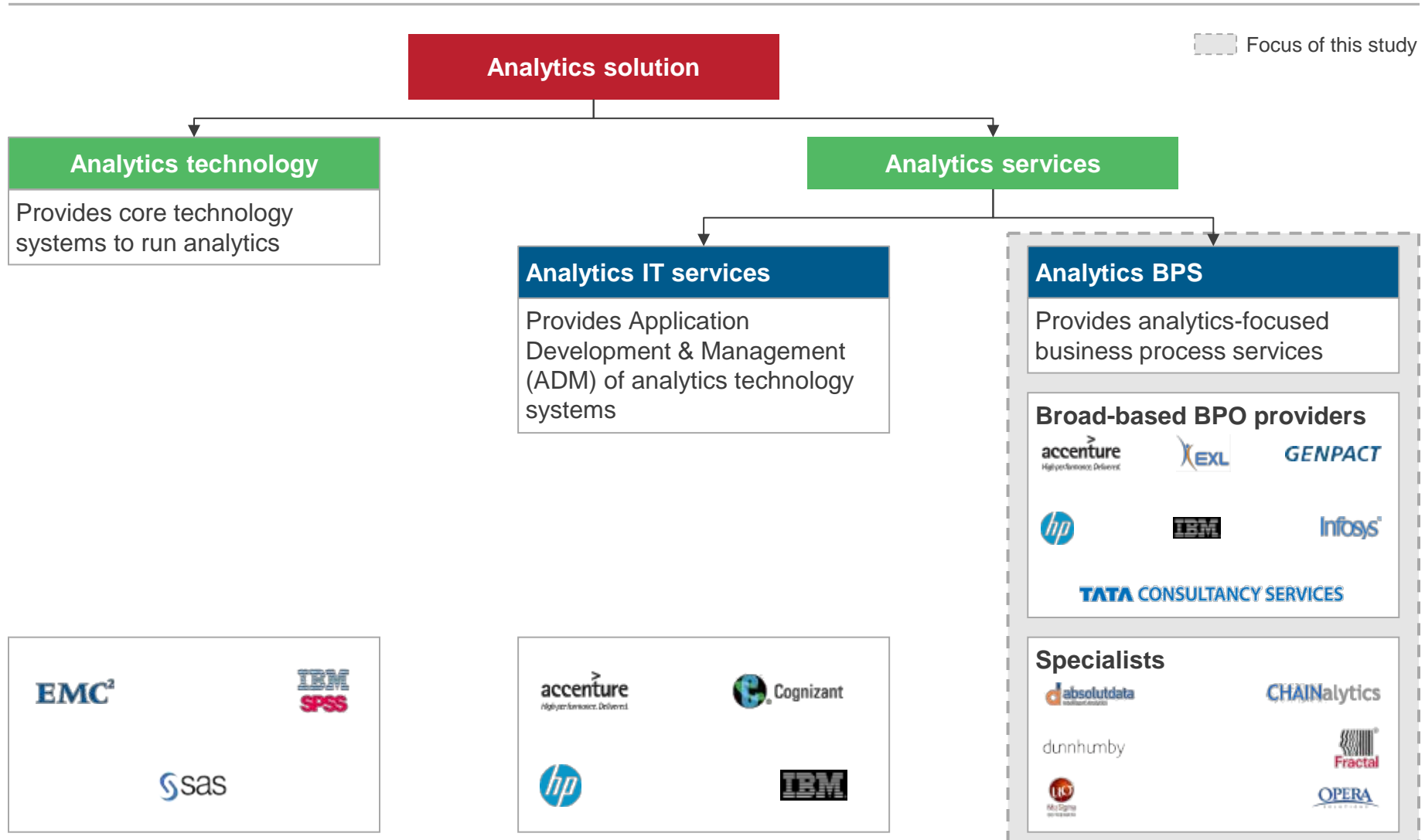
The scope and methodology of this report includes:
- Analytics BPS offered by either BPO providers or analytics-focused specialists. It excludes pure IT services implementation of an analytics solution
- Coverage across all major industries and functional areas
- Coverage across 19 analytics BPS service providers, including Accenture, Absolutdata, CGI, Chainalytics, Dunnhumby, EXL, Fractal Analytics, Genpact, HP, IBM, Infosys, Minacs, Mu Sigma, Neeyamo, Opera Solutions, TCS, Tech Mahindra, Wipro, and WNS

Note 1: Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers' relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit

Note 2: Assessment for **Dunnhumby**, **Fractal Analytics**, **HP**, **Mu Sigma**, and **Opera Solutions**, excludes service provider inputs on this particular study, and is based on Everest Group's estimates which leverage Everest Group's proprietary Transaction Intelligence (TI) database, service providers' ongoing coverage & public disclosures, and interaction with buyers

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Scope of the study
This study focuses on the BPS aspect of an analytics solution

⬚ Focus of this study

Analytics solution

Analytics technology

Provides core technology systems to run analytics

Analytics services

Analytics IT services

Provides Application Development & Management (ADM) of analytics technology systems

Analytics BPS

Provides analytics-focused business process services

Broad-based BPO providers

accenture EXL GENPACT

hp IBM Infosys

TATA CONSULTANCY SERVICES

Specialists

absolutdata CHAINalytics

dunnhumby Fractal

Mu Sigma OPERA

EMC² IBM SPSS

SAS

accenture Cognizant

hp IBM

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Overview and abbreviated summary of key messages
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This report provides insights into the global analytics Business Process Services (BPS) market. The study also assesses the analytics business process capabilities of different service providers (legacy BPO providers and analytics specialists) and evaluates their positioning on the Everest Group PEAK Matrix

Some of the findings in this report are:

1

Analytics BPS market overview

- The global analytics BPS market had witnessed strong growth of over 35% Year-on Year (YoY) and is poised for accelerated growth in the future
- Rising demand for customized analytics solutions, primarily complex analytics, and accelerating adoption in emerging geographies of Europe, Middle East, and Africa (EMEA) and Asia Pacific (APAC), would be the key growth drivers for the market

2

Analytics BPS service provider landscape overview

- Analytics BPS service providers can be essentially classified into two categories: BPO providers and specialists
- BPO providers typically offer industry-agnostic analytics solutions and cater to a diversified client base, including their existing BPO clients
- Specialists leverage their proprietary Intellectual Property (IP)-based solutions and focus on increasing their penetration within specific buyer industries

3

2015 analytics BPS PEAK Matrix

- Everest Group classifies 19 analytics BPS service providers on the Everest Group's proprietary PEAK Matrix framework into:
  - Leaders: Accenture, Genpact, Mu Sigma, IBM, and TCS
  - Major Contenders: Absolutdata, Dunnhumby, EXL, Fractal Analytics, HP, Infosys, Opera Solutions, Tech Mahindra, Wipro, and WNS
  - Emerging Players: CGI, Chainalytics, Minacs, and Neeyamo

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Key insights on PEAK Matrix dimensions

- We assessed the overall analytics BPS capability of service providers by evaluating them along five dimensions – market success, scale, scope, technology solution, and delivery footprint
- Leaders outperform other players across nearly all the metrics assessed. They are further consolidating their position in the analytics BPS space
- Major Contenders, who also happen to be competing with Leaders at a certain level, are also bearing the brunt of the heightened competition. They are steadily ramping up their capabilities or improvising strategies to remain competitive in the arena
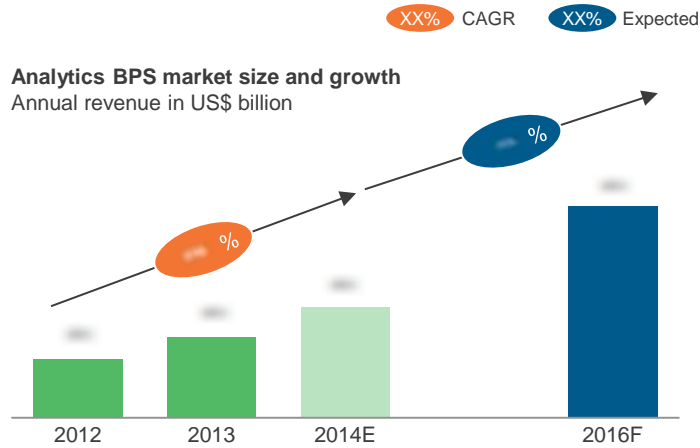
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Key emerging themes in analytics

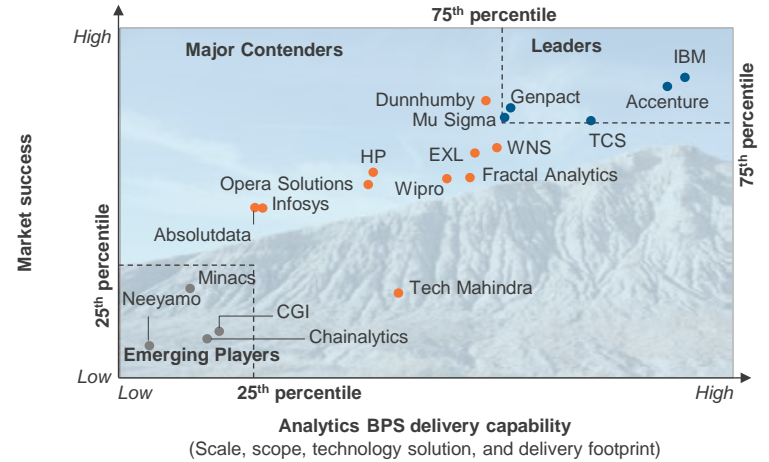- Productization, machine learning & automation, and outcome-based pricing are the three disruptive forces that will affect the analytics market in the coming years

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This study includes distinct chapters that provide a deep dive into the key aspects of analytics BPS service provider landscape
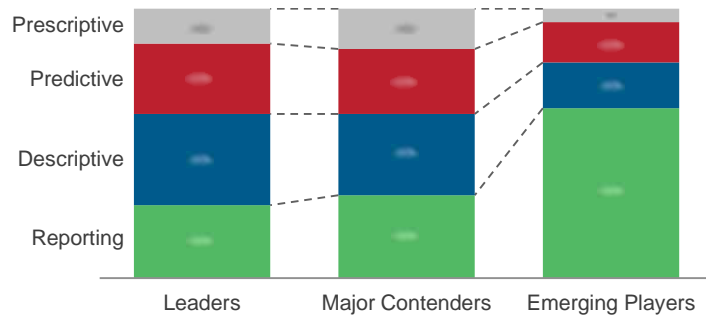
Market size and growth

XX% CAGR   XX% Expected

Analytics BPS market size and growth
Annual revenue in US$ billion

%

%

2012   2013   2014E   2016F

Everest Group PEAK Matrix – 2015 Analytics BPS market standings

High

Major Contenders   **Leaders**

IBM

Dunnhumby   Genpact   Accenture
Mu Sigma

HP   EXL   WNS   TCS

Opera Solutions   Fractal Analytics
Wipro

Infosys

Absolutdata

Minacs
Neeyamo   Tech Mahindra

CGI

Chainalytics

Emerging Players

Low

Low   25th percentile   High

Market success

25th percentile   75th percentile   75th percentile

Analytics BPS delivery capability
(Scale, scope, technology solution, and delivery footprint)

Delivery capability

Depth of services – process scope
2013; Distribution of FTE across processes

Prescriptive
Predictive
Descriptive
Reporting

Leaders   Major Contenders   Emerging Players

Key emerging themes in analytics

1. Productization
2. Machine learning & automation
3. Outcome-based pricing
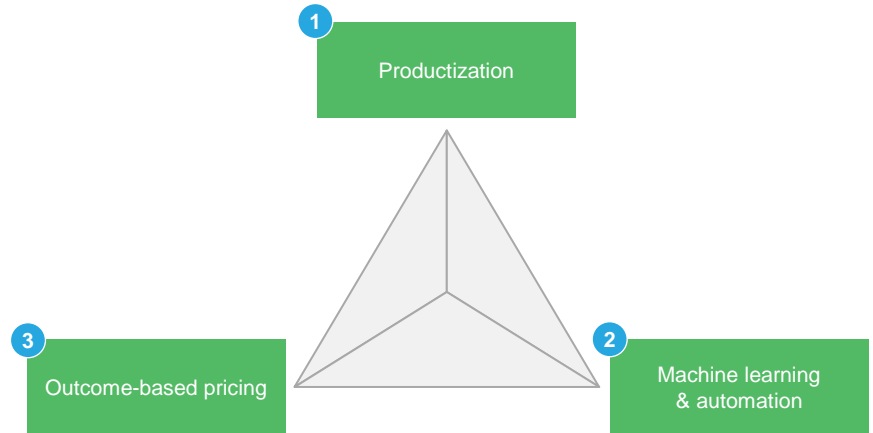
Source: Everest Group (2015)

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Additional analytics-focused research references

The following documents are recommended for additional insight on 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. **Analytics Business Process Services (BPS) – Deciphering the Analytics Code** (EGR-2013-10-R-1002); 2013. This report provides a comprehensive understanding of an analytics solution with a focus on the business process services aspect. It analyzes the analytics business process services market across dimensions such as market size, current and expected market growth, value proposition and key business drivers, buyer adoption trends, solution characteristics, and service provider landscape

2. **Analytics in Banking – War is Ninety Percent Information** (EGR-2013-11-R-0888); 2013. This report provides a comprehensive understanding of the analytics services industry with focus on banking domain. Analytics adoption in the banking industry is covered in depth, exploring various aspects such as market size, key drivers, recent analytics initiatives, and challenges. The report also analyses the trends in analytics deals for various banking subverticals (cards, retail, commercial, and lending) and evaluates analytics capabilities of 20+ service providers in the banking space

3. **Creating Value through Analytics in HR** (EGR-2013-3-R-0930); 2013. This report examines the role of analytics in HR and identifies the ways to capture its value within an outsourcing construct

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From **insight** to *action*.

At a glance

- With a fact-based approach driving outcomes, Everest Group counsels organizations with complex challenges related to the use and delivery of the next generation of global services

- Through its practical consulting, original research, and industry resource services, Everest Group helps clients maximize value from delivery strategies, talent and sourcing models, technologies, and management approaches

- Established in 1991, Everest Group serves users of global services, providers of services, country organizations, and private equity firms in six continents across all industry categories

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