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RESEARCH

Digital Services – PEAK Matrix™ Assessment and Profile Compendium 2015

Application and Digital Services (ADS)
Market Report: November 2015 – Preview Deck

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Our research offerings for global services

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

- **BFSI[1] Information Technology**
- **BFSI[1] Business Process**
- **Healthcare & Life Sciences**
- **Application & Digital**
- **Cloud & Infrastructure**
- **Global Sourcing**
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- **PricePoint™**
- **Finance & Accounting**
- **Procurement**
- **Human Resources**
- **Recruitment Process**
- **Contact Center**
- **Transaction Intelligence**

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

Subscription information

- The full report is included in the following subscription(s)
  - **Application and Digital Services**
- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services
- **If you want to learn whether your organization has a subscription agreement or request information on pricing and subscription options, please contact us**

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1 Banking, financial services, and insurance

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Background and scope of the research

Background of the research

- Enterprises are now challenged not by the lack of technology, but by its overwhelming abundance. To stay ahead of the competition, enterprises are increasingly adopting approaches to integrate technology themes across their value chain. This convergence of technology themes is driving increased investments from service providers, who are ramping up their portfolio to offer end-to-end services to buyers. Though the nature and extent of adoption of digital services varies, the intent of most enterprises to "change" the business, in addition to "run", is calling for action from service providers to aid enterprises in their digital journey
- In this research, we present the assessment and detailed profiles of 18 IT service providers featured on the digital services PEAK Matrix. Each service provider profile provides a comprehensive picture of their service suite, scale of operations, and domain investments
- The assessment is based on Everest Group's annual RFI process for the calendar year 2015, interaction with leading digital service providers (including product development service providers), client reference checks, and analysis of the digital services market

Scope of this report

- **Services:** Digital services
- **Geography:** Global
- **Service providers:** Leading 18 digital service providers

This report includes the profiles of the following 18 service providers:

- **Digital services PEAK Matrix Leaders:** Accenture, Cognizant, IBM, and TCS
- **Digital services PEAK Matrix Major Contenders:** Atos, Capgemini + IGATE, Dell Services, HCL Technologies, L&T Infotech, Mindtree, Syntel, Tech Mahindra, Virtusa, and Wipro
- **Digital services PEAK Matrix Aspirants:** EPAM, Luxoft, Ness SES, and Zensar

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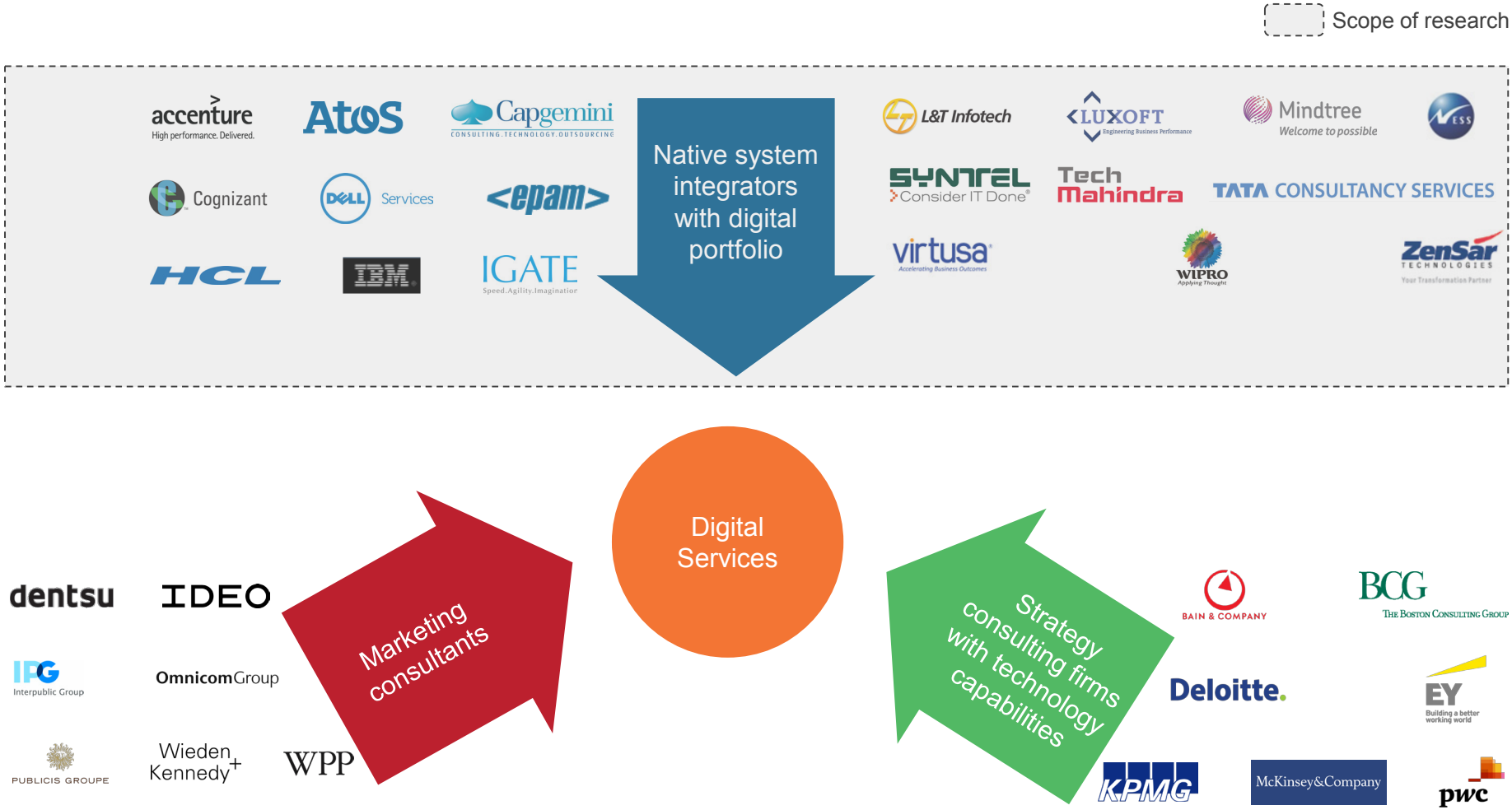
Though the lines differentiating these digital service providers are blurring and often overlapping, the scope of this research includes the system integrators with a digital portfolio



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XYZ | Digital services profile (page 1 of 3)

Digital services overview

Headline assessment

Strong portfolio of offerings across the digital stack, boosted by acquisition of capabilities in design and customer experience segments, positions XYZ as a Leader in this space. Legacy of providing consulting services, complemented by global delivery footprint and strong buyer perception, helps to win larger transformation deals. It should invest in developing branded offerings in areas such as IoT, AI, and cognitive computing, where it continues to lag behind its main competitors.

Overview of digital services practice: Digital strategy & business architecture, customer experience, social media & collaboration, analytics, connected devices, cloud, digital marketing, content management, mobility, e-commerce, etc.

Digital services revenue by industry

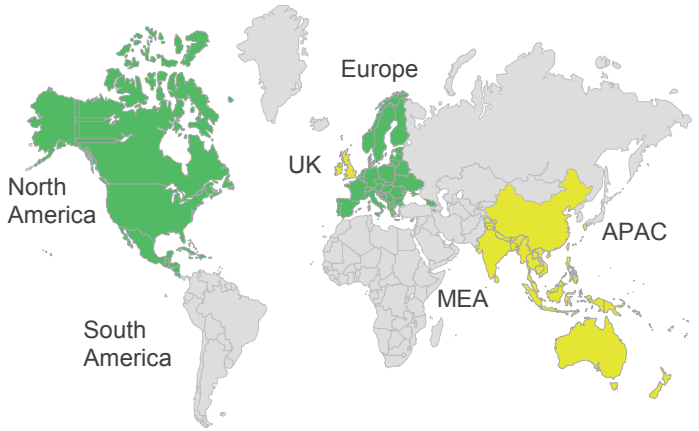
	>25%	10-25%	<10%
BFSI			
Telecom, media, and entertainment			
Electronics, hi-tech, and technology			
Retail, distribution, and CPG			
Healthcare & life sciences			
Public sector			
Manufacturing			
Energy & utilities			
Others			

Digital services revenue by segment

	>25%	10-25%	<10%
Social			
Mobility			
Analytics			
Cloud			
Others[1]			

Digital services revenue by geography

>25% 10-25% <10%



Digital services revenue by buyer size

>50% 20-50% <20%

Small (annual revenue < US$1 billion)	
Medium (annual revenue = US$1-5 billion)	
Large (annual revenue = US$5-10 billion)	
Mega (annual revenue > US$10 billion)	

1 Includes Artificial Intelligence (AI), robotics, automation, Internet of Things (IoT), etc.
Note: As most providers have requested non-disclosure of revenue, it has not been included on the service provider profile
Source: Everest Group (2015)

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XYZ | Digital services profile (page 2 of 3)

Digital services solutions and co-innovation labs

Vision: XYZ is the partner of choice for guided digital disruption. XYZ recognizes that the digital space is a rapidly moving one, thus it invests in the next generation of innovation. XYZ's ambition is to be the company that delivers the full value of digital transformation at speed and at scale.

Digital services – proprietary solutions (representative list)

Solution	Details
Solution 1	• Framework used in the planning and execution of enterprise mobility strategies
Solution 2	• Comprehensive solution comprising an integrated suite of leading technologies and enterprise support with a pre-configured, industrialized, end-to-end architecture to help generate actionable analytics insights
Solution 3	• Cloud-based managed service for the development, execution, and measurement of digital marketing; helps marketers to deliver engaging customer experiences in a simple, agile, and cost-effective way

Digital marketing – proprietary solutions (representative list)

Solution	Details
Solution 1	• Intuitive business intelligence solution that provides new insight into customer and transaction data
Solution 2	• Solution 2 is a social media framework that enables accelerated developments of social media apps such as conversation optimization, social conversion tracking, spoof account detection, and dashboard reporting

Co-innovation labs (representative list)

Digital technology	Location	Details
Multiple	Multiple locations worldwide	• Lab 1 focuses on technology innovation to invent and commercialize new technologies that impact clients and own business; works in close collaboration with internal and external stakeholders to test and pilot new capabilities and POCs that become service offerings • Lab 2 helps clients to embrace open innovation and proactively brings promising ideas to clients to guide them to adopt industry-transforming innovations • XYZ has over 30 design studios globally

Source: Everest Group (2015)

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XYZ | Digital services profile (page 3 of 3)

Digital services investments and partnerships

Digital services investments (representative list)	
Investment theme	**Details**
Acquisition	• Acquired ABC to boost capabilities in design and marketing to allow customers to create distinctive customer experiences
Acquisition	• Acquired DEF to improve competencies in digital marketing and e-commerce
Acquisition	• Acquired PQR to enhance capabilities in the analytics space to drive business decisions and deliver positive outcomes through easy-to-use analytics applications

Digital services partnerships (representative list)		
Partner name	**Type of partnership**	**Details**
Partner 1	Technology partnership	• Partnered to provide cloud integration services leveraging Partner 1's cloud offerings
Partner 2	Technology partnership	• Partnered to offer multichannel commerce solutions on an agile, scalable, and unified e-commerce platform based on Partner 2 solution

Digital marketing partnerships (representative list)		
Partner name	**Type of partnership**	**Details**
Partner 1	Technology partnership	• Alliance to leverage Partner 1's customer experience management technology solutions and provide services focused on banking customers
Partner 2	Technology partnership	• Partnered to provide digital customer experience solutions on partner platforms

Recent activities (representative list)
Activity
• Acquired several companies to boost capabilities in digital marketing, content management, and cloud space; invested in resource certifications and hiring senior leadership to drive digital agenda

Source: Everest Group (2015)

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Application and digital services research calendar

Published Current

Topic	Release date
Optimizing IT Service Delivery: Technology is the Answer	February 2015
Practitioner Perspectives – Wayne Butterfield Interview	March 2015
Upcoming Contract Renewals – Application Services	March 2015
The Agile Journey: Following Agile to Being Agile	May 2015
Application Services – Annual Report 2015: "Agile to DevOps? Not so Fast"	July 2015
Enterprise Digital Adoption: High Returns, Will They Sustain?	July 2015
Independent Testing Services – PEAK Matrix™ Assessment and Profile Compendium 2015	July 2015
North America Digital Adoption Survey – How Pervasive is your Digital strategy?	August 2015
Independent Testing Services PEAK Matrix™ – Europe-focused – Assessment and Profile Compendium 2015	September 2015
Testing Services Market Update 2015 – Digital Testing, Buyers Beware !	September 2015
Digital Services – PEAK Matrix™ Assessment and Profile Compendium 2015	November 2015
Digital adoption market update – Europe focused	Q4 2015

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Additional research recommendations

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 which may be of interest

1. **North America Digital Adoption Survey – How Pervasive is Your Digital Strategy?:** (EGR-2015-4-R-1551); 2015. This report focuses on digital adoption in North America and covers:
   - Digital technology adoption (adoption trends, adoption maturity, adoption priorities, and digital spend)
   - Digital imperatives and market segments (investment characteristics and adoption maturity of four distinct market segments viz. Digital Pervasives, Digital Sellers, Digital Efficients, and Digital Enablers)
   - Outlook for digital investments (across market segments)
   - Vendor perceptions (most relevant vendors for enterprises' digital strategy)
   - Implications for enterprises
   - Implications for service providers

2. **Enterprise Digital Adoption: High Returns, Will They Sustain?:** (EGR-2015-4-R-1504); 2015. As enterprises move beyond prototypes and pilot adoption of digital technologies, valid questions around Return on Investments (RoI) will crop up. Though currently digital initiatives are flush with money and have the backing of senior leadership, they need to demonstrate meaningful RoI. This Everest Group research analyzes the leading digital technologies expected to bring the maximum RoI and suggests measures that the enterprises need to adopt to consistently get returns on these digital initiatives

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From **insight** to ***action***.

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 empowers 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 and research.everestgrp.com.

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