

IT Application Services Automation: Think Benefits, Not Costs

Application & Digital Services (ADS)
Market Report – November 2016 – Preview Deck

Our research offerings for global services

▶ Market Vista™

Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

▶ BFSI¹ Information Technology

▶ PricePoint™

▶ BFSI¹ Business Process

▶ Finance & Accounting

▶ Healthcare & Life Sciences ITS

▶ Procurement

▶ Healthcare & Life Sciences BPS

▶ Human Resources

▶ Application & Digital

▶ Recruitment & Talent Acquisition

▶ Cloud & Infrastructure

▶ Contact Center

▶ Global Sourcing

▶ Service Optimization Technologies

▶ Locations Insider™

▶ 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
- Others | Market intelligence, service provider capabilities, technologies, contract assessment

Subscription information

- The full report is included in the following subscription(s)
 - **Application & Digital**
- 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**



Corporate Headquarters

Office: +1-214-451-3000

info@everestgrp.com



European Headquarters

Office: +44-207-129-1318

unitedkingdom@everestgrp.com

¹ Banking, financial services, and insurance

Table of contents (page 1 of 2)

Topic	Page no.
Background of the research	5
Section I: Introduction and overview	6
• Principles of Service Delivery Automation (SDA)	7
• SDA segments and provider landscape	9
• Beliefs, drivers, and challenges of automation	11
Section II: IT application services automation: deep-dive	16
• Current adoption state	17
• Focus on enterprises	23
– Enterprise challenges and best practices for automation adoption	24
– Business case for automation	26
– Implications for enterprises	31
• Focus on IT service providers	33
– Factors impacting service provider costs	35
– Talent imperatives for service providers	36
– Opportunities for service providers	37
– Implications for IT service providers	39

Table of contents (page 2 of 2)

Topic	Page no.
Section III: Service provider landscape	40
• Overall IT Application automation service provider landscape	42
• Brief profiles: Prominent application automation software vendors	46
Section IV: Outlook for 2016-17	48
Appendix	50
• Application & Digital Services research calendar	51
• Additional Application & Digital Services research references	52

Background and methodology

Background of the research

- In today's digital age, it is imperative for organizations to be agile to deliver innovative products and services to customers. Automation enables organizations to gain process efficiency
- Enterprises are constantly looking for new ways of reducing costs and streamlining operations. Automation can provide savings ranging from 40-60% across efficiency and productivity
- IT organizations are under tremendous pressure to increase speed-to-market to be more responsive to constantly changing business demands. Automation can help reduce application development and maintenance time considerably

In this research, we analyze the market that we broadly refer to as “Service Delivery Automation”, with a primary focus on Application Services (AS). This report takes a deep-dive into the extent and maturity of automation across the segments of application services.

The key topics discussed in this report include:

- Overview of automation in application services
- Extent and maturity of automation in application services
- Drivers and challenges for adoption of automation
- Service provider investments and initiatives

The scope and methodology of this report includes:

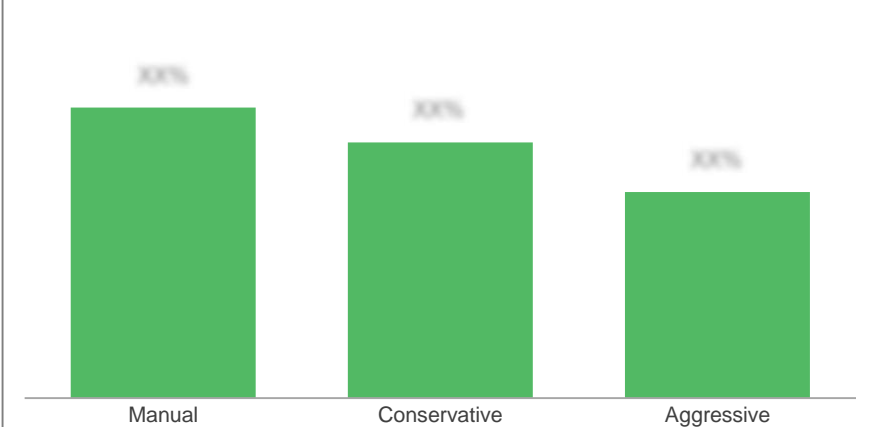
Uses of automation in application services, while excluding business processes (Robotic Process Automation (RPA)). Coverage spans major industries and functional areas.

This study offers a deep dive into key aspects of application services automation; the charts below highlight the report coverage

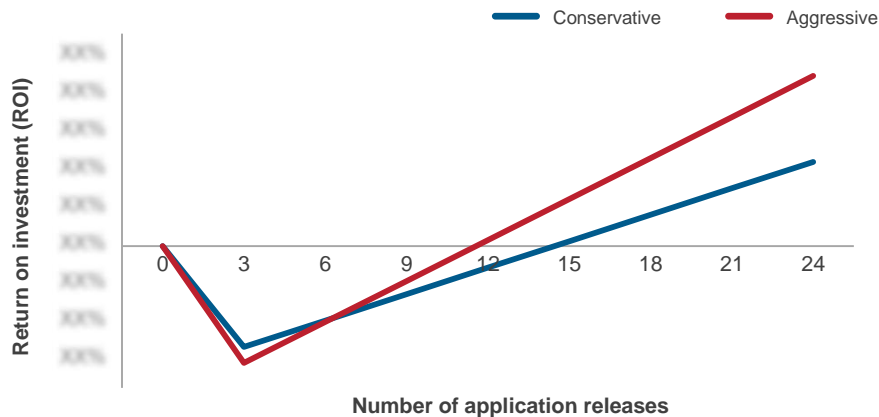
IT service delivery automation is plagued with unfounded beliefs

Belief	Reality
1 Automation is all about technology and selecting the best in class tool	Automation goes beyond technology and tools. It requires a methodical approach that varies by enterprise needs and aspirations.
2 Automation is all about technology and selecting the best in class tool	Automation goes beyond technology and tools. It requires a methodical approach that varies by enterprise needs and aspirations.
3 Automation is all about technology and selecting the best in class tool	Automation goes beyond technology and tools. It requires a methodical approach that varies by enterprise needs and aspirations.
4 Automation is all about technology and selecting the best in class tool	Automation goes beyond technology and tools. It requires a methodical approach that varies by enterprise needs and aspirations.

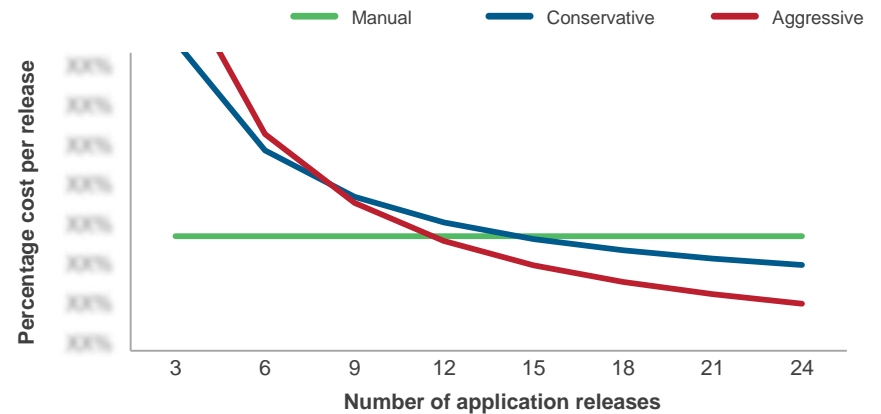
Automation cost analysis | Cost of testing for a year (indexed)



Automation ROI based on number of releases



Cost per release as percentage of manual costs



Source: Everest Group (2016)

Application and digital services research calendar

■ Published
 ■ Current

Topic **Release date**

The Agile Journey: Following Agile to Being Agile	May 2015
Application Services – Annual Report 2015: “Agile to DevOps? Not so Fast”	July 2015
North America Digital Adoption Survey – How Pervasive is your Digital strategy?	August 2015
Digital Services – PEAK Matrix™ Assessment and Profile Compendium 2015	November 2015
European Digital Adoption Survey – Is Your Digital Strategy Plateauing?	December 2015
BFSI Digital Adoption Trends – The Investment Enigma for BFSI Enterprises: Where to Invest?	March 2016
SaaS Implementation Services – Market Trends and PEAK Matrix™ Assessment & Profiles Compendium	March 2016
Healthcare & Life Sciences Digital Adoption Trends – Digital Adoption Driven by Consumerization of Healthcare	April 2016
Application Services – Annual Report 2016: “No DevOps No Digital”	May 2016
Independent Testing Services - Market update and PEAK Matrix™ Assessment & Profile Compendium 2016	June 2016
Digital Services – Market update and PEAK Matrix™ Assessment & Profile Compendium 2016	Q3 2016
IT Application Services Automation: “Think Benefits, not Costs”	November 2016
IoT Services – Market update and PEAK Matrix™ Assessment & Profile Compendium 2016	Q4 2016

Additional research recommendations

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

1. **Digital Services – PEAK Matrix™ Assessment and Market Trends: “Is Digital the New Normal?”:** ([EGR-2016-4-R-1932](#)); 2016. This report provides an assessment of IT service providers (native system integrators) that provide digital services. It includes the following providers: Accenture, Atos, Capgemini, Cognizant, CGI, CSC, Dell Services, EPAM, HCL Technologies, IBM, Infosys, L&T Infotech, Luxoft, Syntel, TCS, Tech Mahindra, VirtusaPolaris, and Wipro.
2. **Independent Testing Services – Market Trends and PEAK Matrix™ Assessment & Profiles Compendium:** ([EGR-2016-4-R-1776](#)); 2016. This report provides an assessment of IT service providers that deliver independent testing services. It includes the following providers (including pure-play testing providers): Accenture, Atos, Capgemini, Cigniti, Cognizant, CSC, Dell Services, EPAM, Hexaware, HCL Technologies, IBM, Infosys, L&T Infotech, Luxoft, Mindtree, QualiTest, Softtek, Syntel, TCS, Tech Mahindra, VirtusaPolaris, and Wipro.

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

Chirajeet Sengupta, Vice President:

chirajeet.sengupta@everestgrp.com

Yugal Joshi, Practice Director:

yugal.joshi@everestgrp.com

Gunjan Gupta, Practice Director:

gunjan.gupta@everestgrp.com

Siddharth Muzumdar, Senior Analyst:

siddharth.muzumdar@everestgrp.com

Alisha Mittal, Senior Analyst:

alisha.mittal@everestgrp.com

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



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.

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-804-276-4533

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
+1-647-557-3475

Stay connected

Website



www.everestgrp.com

Social Media



@EverestGroup



@Everest Group

Blog

[Sherpas In Blue Shirts](http://www.sherpasinblueshirts.com)

www.sherpasinblueshirts.com