



Application Automation Services PEAK Matrix™ Assessment and Market Trends 2019: AI Alone Won't Help – Align Strategy to Realize Benefits

Application Services

Market Report – March 2019: Complimentary Abstract / Table of Contents

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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 of the research

Automation has been a strong warrior for enterprises to fight against cost and SLAs pressures. In recent years, focused automation investments and AI-led adoption of complex use-cases have encouraged enterprises to deploy automation for business-oriented outcomes, helping enterprises to drive better customers experience, and eventually graduating into accelerated time-to-market and competitive advantage. However, enterprises need to adopt automation for a broader scope rather than as a by-product with a top-down approach and ensure higher collaboration across BUs to realize the maximum potential benefits of advanced automation.

To help enterprises achieve significant business impact through automation, service providers also need to “ECHO” enterprise aspirations and guide them through the current state to the desired state in a sequential, yet effective manner. Service providers are expected to be more proactive in identifying opportunities and propose customized solutions as per enterprises’ technology landscape. With the evolution of AI, as the opportunity and the potential of automation rises, integration with legacy technology becomes more challenging, and the overall transformation exercise becomes too heavy for enterprises, hence service providers need to come up with self-funding mechanisms or new financial models to boost enterprise confidence and help them realize benefits.

In this research, we present an assessment and detailed profiles of 19 application automation service providers featured on the application automation services PEAK Matrix. Each service provider profile provides a comprehensive picture of its service focus, key Intellectual Property (IP) / solutions, domain investments, as well as two case studies. The assessment is based on Everest Group’s annual RFI process for the calendar year 2018, interactions with leading application automation services providers, client reference checks, and an analysis of the application automation services market.

Scope of this report

- **Services:** Application automation services
- **Geography:** Global
- **Service providers:** 19 leading application automation services providers

This report includes the profiles of the following 19 leading digital service providers featured on the application automation services PEAK Matrix:

- **Leaders:** Accenture, Cognizant, IBM, TCS, and Wipro
- **Major Contenders:** Atos, Capgemini, DXC Technology, Genpact, HCL Technologies, Infosys, LTI, NTT DATA, Mphasis, Tech Mahindra, and Virtusa
- **Aspirants:** Aspire Systems, Softek, and Yash Technologies

Overview and abbreviated summary of key messages

This report examines the global application automation service provider landscape and its impact on the application automation market. It focuses on service provider position and growth in the application automation market, assessment of service provider delivery capabilities, and key application automation service provider profiles. It also identifies the key implications of the research findings for buyers and service providers.

Some of the findings in this report, are:

Changing market dynamics

- Automation adoption is gaining traction across SDLC with AI powering complex use-cases and helping explore possibilities in non-repetitive and highly contextual tasks. Enterprises are positive about the automation possibilities and want to scale automation projects. However, they are facing multiple hurdles internally, related to security policies, strategic alignment, and silo-ed approach

Emerging service provider trends

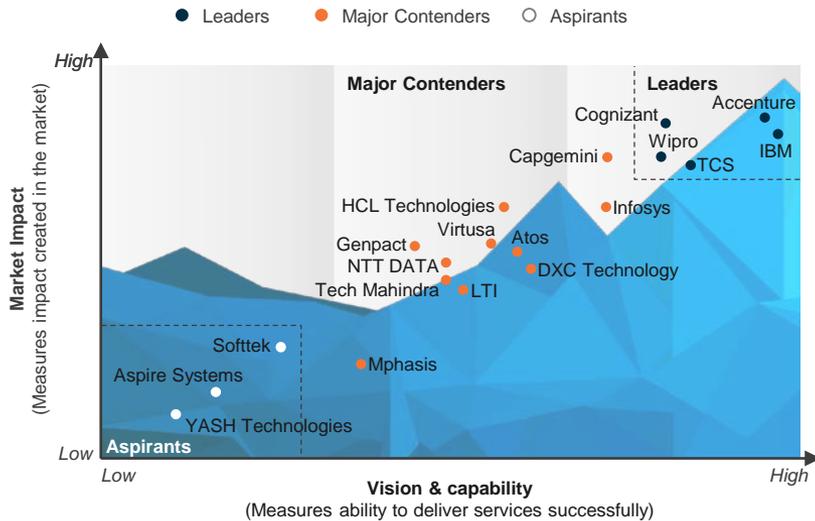
- Major service providers are exploring use cases in development phase of SDLC and utilizing AI to make substantial business impacts
- Service providers are also exploring innovative pricing models to gain management confidence and help them navigate through the internal hurdles

Service provider delivery capability

- Application automation service providers can be categorized into Leaders, Major Contenders, and Aspirants on a capability-market-share matrix
- Accenture, IBM, Cognizant, TCS, and Wipro are the current Leaders in the global application automation market. However, several service providers are emerging as Major Contenders

This study provides an assessment of the leading providers of application automation services

Everest Group PEAK Matrix™ for Application automation Services 2019



Note 1 PEAK Matrix specific to application automation services
 Note 2 Assessment for TCS includes partial inputs from the service provider, and is based on Everest Group's estimates that leverages its proprietary data assets, service provider public disclosures, and interaction with buyers
 Note 3 Assessment for Atos, LTI, NTT DATA and Tech Mahindra excludes service provider inputs on this particular study, and is based on Everest Group's estimates that leverage its proprietary Transaction Intelligence (TI) database, ongoing coverage of the service provider, public disclosures, and interaction with buyers
 Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any information that is contract-specific will be presented back to the industry only in an aggregated fashion
 Source: Everest Group (2019)

Capability assessment

Illustrative example

Measure of capability: ● High ○ Low

Service provider	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Scope of services offered	Innovation & investments	Delivery footprint	Vision & strategy	Overall
Service provider 1	●	○	●	●	●	○	●	●	○
Service provider 2	○	○	○	○	○	○	●	○	○
Service provider 3	○	●	○	●	○	○	○	○	○
Service provider 4	○	○	○	○	●	○	○	○	○
Service provider 5	●	●	○	○	○	○	○	○	○
Service provider 6	○	○	○	○	○	○	○	○	○
Service provider 7	○	○	○	○	○	○	●	○	○
Service provider 8	○	○	○	○	○	○	○	○	○
Service provider 9	○	○	○	○	○	○	○	○	○

Everest Group's remarks on service providers

Illustrative example

Measure of capability: ● High ○ Low

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Scope of services offered	Innovation & investments	Delivery footprint	Vision & strategy	Overall
●	●	●	○	●	○	○	○	○

Strengths

- Service provider 1, has a robust delivery presence in Asia Pacific with multiple delivery centers in India, Australia, the Philippines, and China, enabling it to service client requirements efficiently
- It has a good number of multi-country as well as single-country clients across the world

Areas of improvement

- Service provider 1 should increase offerings of value-added services such as employer branding, talent communities and workforce planning
- It should try to expand into larger multi-country deals and also scout for engagements in other Asia Pacific markets to strengthen its presence in the region

Research calendar – Application Services

Published
 Planned
 Current release

Flagship Application Services reports

Release date

Application Modernization Services – PEAK Matrix™ Assessment and Market Trends 2017	November 2017
Enterprise QA Services PEAK Matrix™ Assessment 2018:Quality Assurance to Brand Assurance: AI Driving the Evolution	May 2018
Application Services – Annual Report 2018: The Future of Architecture is Intelligent	June 2018
GDPR Services: Gross Disconnect in Perception and Reality – Services PEAK Matrix™ Assessment 2018	June 2018
Application Automation Services PEAK Matrix™ Assessment and Market Trends 2019: AI Alone Won't Help – Align Strategy to Realize Benefits	March 2019
DevOps Services PEAK Matrix™ Assessment and Market Update	Q2 2019

Thematic Application Services reports

Application Performance in the Digital Age: Adopting AI is Not Optional	January 2018
Upcoming Contract Renewals – Application Services 2018	February 2018
The Great Digital Divide: Is Customer Dissatisfaction the New Normal?	March 2018
Closing the Gap - The Future of IT Skills in the United States	April 2018
Reimagining Enterprise IT Services Sourcing	May 2018
Upcoming Contract Renewals - Application Services 2019	January 2019
Assuring Trust in a Converging Life Sciences Ecosystem: The Emerging Role of Quality Assurance	February 2019
Pinnacle for app modernization	Q2 2019

Note: For a list of all of our published AS reports, please refer to our [website page](#)

Additional application automation services 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. Application Performance in the Digital Age: Adopting AI is Not Optional** ([EGR-2018-32-V-2539](#)); 2018. Enterprises spend over US\$5 billion in performance testing. This spend can be significantly reduced by leveraging AI systems. This research is focused on how AI systems can assist designers, architects, developers, testers, and the operations teams to significantly enhance application performance
- 2. Enterprise QA Services PEAK Matrix™ Assessment 2018: Quality Assurance to Brand Assurance: AI Driving the Evolution** ([EGR-2018-32-R-2639](#)); 2018: The QA landscape has been evolving over the past decade and there is a clear shift from independent testing of applications to a more holistic brand assurance of business processes and outcomes. Service providers are investing in Artificial Intelligence (AI) and Machine Learning (ML) to expand their test automation suite of tools, and even include performance and security testing into the continuous delivery model, thus enabling brand assurance for their clients' business. In this research, we present the assessment and detailed profiles of 23 IT service providers featured on the QA services PEAK Matrix.
- 3. Application Modernization Services – PEAK Matrix™ Assessment and Market Trends 2017: “Think Digital, Rethink Modernization”** ([EGR-2017-4-R-2399](#)); 2017. The research focuses on application modernization services and includes a market study of application modernization services, PEAK Matrix assessment of 15 leading application modernization service providers, and detailed profiles of 15 IT service providers featured on Everest Group's PEAK Matrix.

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