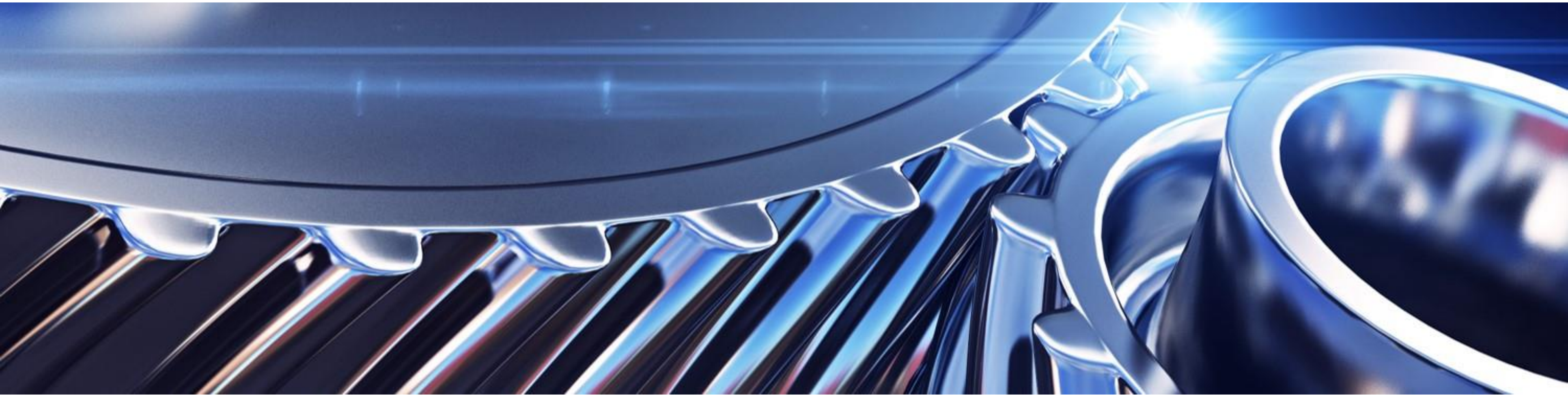

# Automotive Engineering Services PEAK Matrix™ Assessment 2019: Convergence of Mobility and Digital

Engineering Services (ES)

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



EGR-2019-40-CA-3350

# Our research offerings for global services

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

| | |
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| ▸ Application Services | ▸ Human Resources |
| ▸ BPS \| Banking & Financial Services | ▸ ITS \| Banking & Financial Services |
| ▸ BPS \| Healthcare & Life Sciences | ▸ ITS \| Healthcare |
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### Membership information

- This report is included in the following research program(s)
  – Engineering Services (ES)
- If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com, unitedkingdom@everestgrp.com, or india@everestgrp.com

### More about membership

In addition to a suite of published research, a membership may include

- Accelerators™
- Analyst access
- Data cuts
- Pinnacle Model™ reports
- PriceBook
- Virtual Roundtables
- Workshops

### 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

# Table of contents (page 1 of 2)

# Table of contents (page 2 of 2)

# Background and methodology of the research

**Background of the research**

The automotive industry is undergoing rapid evolution ushered in by innovative and disruptive technologies. Next-generation technological themes have redefined the entire automotive landscape and both the existing giants and new entrants are focusing on enhancing their capabilities and developing pertinent expertise. The industry is witnessing inception of new and varied end-users' expectations which has raised new challenges for the Original Equipment Manufacturers (OEMs) and Tier-1s, and automobiles now are not only expected to be just connected with everything (V2X) but are also expected to be as smart as smartphones. These challenges are accompanied by stricter environmental and safety regulatory stringency, and in the light of these advancements, all OEMs and Tier-1s have geared up to acquire the requisite resources and capabilities to hold onto their current share in the market.

Automobile manufacturers are seeking efficient ecosystems with strategic partners to cater to the evolving landscape. It has created a plethora of opportunities for service providers to be a part of this transformation journey by offering engineering solutions to global automotive players. Service providers are capturing these opportunities by offering advanced and skilled engineering services, both off-the-shelf and customized, which are providing automotive players with significant cost savings and a faster time-to-market.

In this research, we present fact-based trends impacting the automotive engineering services market, along with the assessment and detailed profiles of 22 service providers featured in the automotive engineering services PEAK Matrix™.

**Scope of this report**

- **Services:** Automotive engineering services
- **Geography:** Global
- **Service providers:** 22 leading automotive engineering service providers

**Methodology:**

The assessment is based on Everest Group's annual RFI process concluded over Q4 2018 and Q1 2019, interactions with leading automotive engineering service providers, and analysis of the marketplace.

# Overview and abbreviated summary of key messages (page 1 of 2)

This report provides a comprehensive assessment of the automotive engineering services market and maps the leading service providers on Everest Group's PEAK Matrix. It also includes detailed profiles of featured service providers.

**Some of the findings in this report, among others, are:**

**Market growth**

- Automotive engineering services have witnessed a robust growth of around 17.5% and are among the fastest growing areas in the global engineering services market
- Technology-enabled disruption of products, services, and operations is providing significant impetus to growth in automotive engineering services outsourcing

**Market trends**

- Evolving customer preferences, shifting demand centers, software-led disruption, and regulatory stringency have impacted the fundamentals of the automotive industry
- Emerging technologies are witnessing significant traction in the automotive industry and acting as key enablers in driving transformation across products, services, and operations
- The automotive industry is witnessing a gradual rise in additional sources of revenue, such as mobility-as-a-service, connected navigation services, and in-house entertainment, to supplement slowing growth in vehicle sales
- OEMs and Tier-1s are proactively seeking partners in this transformation journey; service providers have a plethora of opportunities to assist them in developing the next big breakthroughs and to offer advanced engineering solutions
- Service providers are developing expertise across the entire value chain. The broad categories of key areas in focus are Advanced Driver Assistance Systems (ADAS) & autonomous driving, powertrain & electrification, and infotainment & connectivity

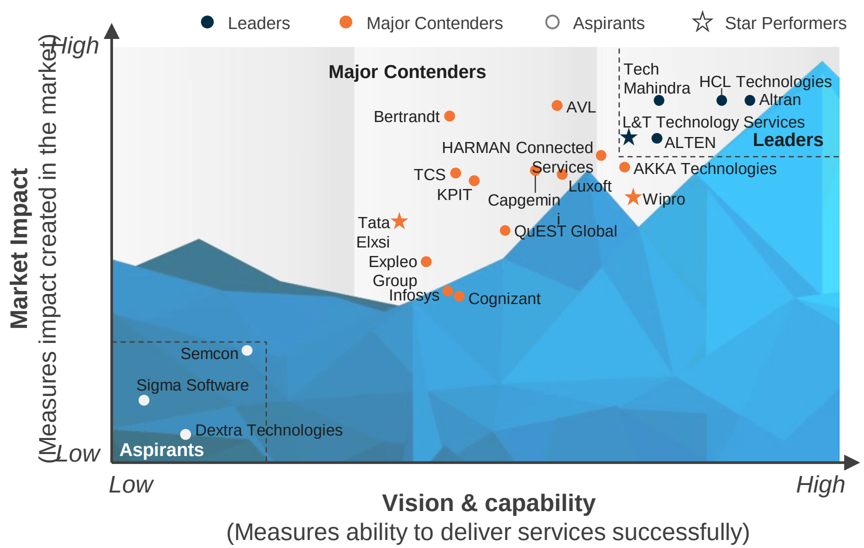
# Overview and abbreviated summary of key messages (page 2 of 2)

**PEAK Matrix for automotive engineering services**

- Analysis of the service provider landscape for automotive engineering services, leveraging Everest Group's PEAK Matrix, highlights the following categories of service providers:
  - **Leaders:** ALTEN, Altran, HCL Technologies, L&T Technology Services, and Tech Mahindra
  - **Major Contenders:** AKKA Technologies, AVL, Bertrandt, Capgemini, Cognizant, Expleo Group, HARMAN Connected Services, Infosys, KPIT, Luxoft, QuEST Global, Tata Elxsi, TCS, and Wipro
  - **Aspirants:** Dextra Technologies, Semcon, and Sigma Software
- The Leaders are recognized for their ability to offer large-scale automotive engineering engagements utilizing their widespread delivery footprint and strong project management capabilities
- The Major Contenders have made credible efforts to enhance their domain expertise and delivery capabilities, however, their service portfolio is not as extensive as that of Leaders (in terms of presence across the value chain elements, vehicle body parts, or service functions)
- Aspirants exhibit strong capabilities in delivering automotive engineering services for specific niches or some key thematic areas

# This study provides a deep dive into key aspects of automotive engineering services market; below are some charts to illustrate the depth of the report

## Assessment of Automotive Engineering Services Providers




1 Assessments for AKKA Technologies, ALTEN, AVL, Bertrandt, Cognizant, Expleo Group, HARMAN, Infosys, KPIT, Luxoft, QuEST Global, Sigma Software, Semcon, TCS, and Tata Elxsi are based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, and service provider public disclosures

2 Analysis for Altran is based on capabilities before its acquisition by Capgemini

## 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 and investments | Delivery footprint | Vision and strategy | Overall |
| Service provider 1 | 3/4 | 3/8 | 3/4 | 5/8 | 5/8 | 3/8 | 5/8 | 5/8 | 1/2 |
| Service provider 2 | 1/4 | 1/2 | 1/2 | 3/8 | 1/4 | 3/8 | 3/4 | 1/2 | 3/8 |
| Service provider 3 | 3/8 | 3/4 | 3/4 | 5/8 | 7/8 | 1/2 | 3/8 | 1/2 | 5/8 |
| Service provider 4 | 3/8 | 1/2 | 5/8 | 5/8 | 1 | 3/8 | 3/4 | 1/2 | 5/8 |
| Service provider 5 | 5/8 | 3/4 | 1/2 | 5/8 | 5/8 | 5/8 | 1/4 | 1/2 | 1/2 |
| Service provider 6 | 1/2 | 3/8 | 5/8 | 1/2 | 5/8 | 1/4 | 3/8 | 5/8 | 3/8 |
| Service provider 7 | 1/2 | 3/8 | 3/4 | 1/2 | 3/4 | 3/8 | 1 | 5/8 | 5/8 |
| Service provider 8 | 1/2 | 1/4 | 5/8 | 1/2 | 3/8 | 3/8 | 1/4 | 5/8 | 3/8 |
| Service provider 9 | 1/4 | 1/2 | 3/4 | 3/8 | 3/4 | 3/8 | 5/8 | 5/8 | 1/2 |

## Everest Group's remarks on service providers

*Illustrative example*

### Strengths

- Robust foothold in the market owing to its extensive solutions portfolio, along with strong partnerships with technology leaders
- Dedicated investments in CoEs, labs, acquisitions, and talent enhancement through certifications to strengthen capabilities in next-generation themes

### Areas of improvement

- Needs to improve its expertise around supply chain operations to become a single end-to-end partner across the entire value chain like other Leaders
- Needs to increase its revenue potential and gain competitive advantage in comparison to other players in the Leaders' segment





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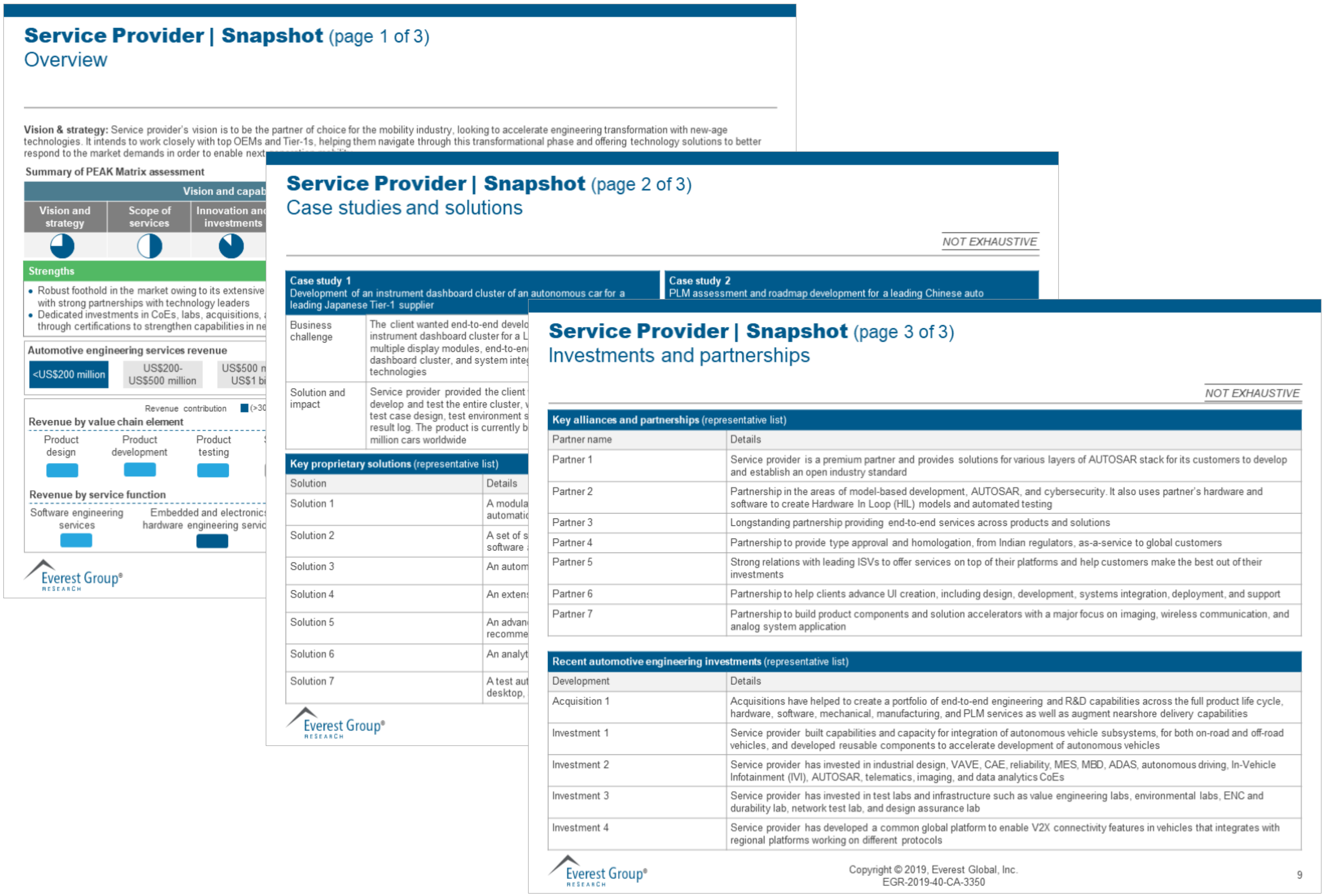
# This report has over 22 service provider profiles



# Research calendar – Engineering Services (ES)

Published | Planned | Current release

| Flagship Engineering Services reports | Release date |
|---|---|
| Software Product Engineering Services PEAK Matrix™ Assessment 2019: Engineering for the Digital World | August 2019 |
| **Automotive Engineering Services PEAK Matrix™ Assessment 2019: Convergence of Mobility and Digital** | **September 2019** |
| Internet of Things Technology Services PEAK Matrix™ Assessment 2019 | Q4 2019 |
| Verification and Validation Services PEAK Matrix™ Assessment 2019 | Q4 2019 |

| Thematic Engineering Services reports | |
|---|---|
| The Imminent Wave of Consolidation in Industrial Internet of Things (IIoT) Platforms | March 2019 |
| Engineering Services - Top 50 | July 2019 |
| Global Technology Centers (GTCs) in India: Software Products Enterprises' Solution to DIY | July 2019 |
| Leading the Pack: Trends for the Top 200 Engineering Research & Development (ER&D) Enterprises | Q4 2019 |
| SDX – The Only Singularity in the World of Digital | Q4 2019 |
| Hybrid Sourcing Models For Engineering Services | Q4 2019 |
| Roadblocks to Realizing the Potential of Industry 4.0 | Q4 2019 |
| Leveraging Indian GICs for Delivering the Global Innovation Charter | Q4 2019 |

Note: For a list of all of our published ES reports, please refer to our website page

# Additional Engineering 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. **Global Technology Centers (GTCs) in India: Software Products Enterprises' Solution to DIY** (EGR-2019-34-R-3276); 2019. This report explores the landscape of services delivered by the software products GTCs in India. It provides an overview of the key trends in this market, the various challenges that they face and the nature of work that they deliver. It also provides different points of view on how these GTCs can play an even greater role with respect to innovation and increase their strategic presence in global delivery. Lastly, it describes the outlook for the future

2. **The Imminent Wave of Consolidation in Industrial Internet of Things (IIoT) Platforms** (EGR-2019-40-V-3078); 2019. This viewpoint assesses how the IIoT platform landscape, comprising over 350 platforms, is heading toward a foreseeable consolidation. It puts a spotlight on these factors that will drive this consolidation while offering a perspective of other industries that have gone through this process. It also analyzes the phases in evolution of the IIOT platforms landscape through a consolidation framework

3. **Software Product Engineering Services PEAK Matrix™ Assessment 2019: Engineering for the Digital World** (EGR-2019-40-R-3305); 2019. Software is playing an increasingly important role in helping enterprises bring about innovation across products and services and deliver a superior user experience. As enterprises embrace this software-led innovation, they are also looking to drive modularity, scalability, and mass customization in their software products in order to meet the evolving end-user expectations. In this research, we present fact-based trends impacting the software product engineering services market, along with the assessment and detailed profiles of 25 service providers featured on the software product engineering services PEAK Matrix.


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

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## 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 empower 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.


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