



Data & Analytics (D&A) – State of the Market Report 2020

Data & Analytics (D&A)

Annual Report – December 2019: Complimentary Abstract / Table of Contents

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

- Accelerators™
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- 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

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Everest Group's D&A research is based on multiple sources of proprietary information

- Proprietary deals database of 25+ D&A service providers (updated annually)
- The database tracks the following elements of each contract:
 - Buyer details including size and signing region
 - Contract details including service provider, contract type, TCW & ACV, service provider FTEs, start & end dates, duration, and delivery locations
 - Scope details including share of individual buyer locations being served in each contract, Line of Business (LOB) served, and pricing model employed

- Proprietary database of D&A service providers (updated annually)
- The database tracks the following for each service provider:
 - Revenue and number of FTEs
 - Number of clients
 - FTE split by D&A value chain
 - Revenue split by region and industry
 - Location and size of delivery centers
 - Technology solutions developed
 - Partnerships and alliances
 - Investments (talent investments, acquisitions, equity stakeholderhip, etc.)

- **Service provider briefings**
 - Vision and strategy
 - Annual performance and future outlook
 - Key strengths and improvement areas
 - Emerging areas of investment

- **Buyer reference interviews, ongoing buyer surveys, and interactions**
 - Drivers and challenges for adopting D&A services
 - Assessment of service provider performance
 - Emerging priorities
 - Lessons learnt and best practices

- Everest Group's survey of 200 enterprise taken by CXO level executives and D&A heads across multiple industries and geographies

Service providers covered in detail in the analyses



The analyses in this report are presented at two levels:

- Overall market analysis that highlights the market composition/dynamics
 - The current market trends based on deal activity in the last five years
- The sample size varies for different analyses based on the deal detail availability.

Summary of key messages (page 1 of 2)

As enterprises transcend the D&A maturity curve, they are investing more in data estate modernization, advanced analytics solutions, and changing their operating models to enable effective data governance and democratization. In this research, we present the evolving D&A adoption strategies of the global enterprises in carrying out successful D&A initiatives.

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



D&A market growing
at a healthy rate

- The global D&A market continues to exhibit strong double-digit growth, underpinned by strong demand for data estate modernization and need for advanced analytics solutions
- It was estimated to be worth around US\$60 billion in 2018, and is expected to continue on its strong double-digit growth trajectory
- Improved customer experience, personalization, operational efficiency, cost optimization, and regulatory compliance are the key drivers of D&A adoption across industries



Globalization of D&A

- North America is the most mature and largest D&A market globally, followed by Europe
- Increasing digital penetration is driving demand for D&A services in emerging markets
- Regulations such as GDPR, HIPAA, and the California act are opening up revenue streams in the data governance segment in Continental Europe, the UK, and North America

Summary of key messages (page 2 of 2)



Digital transformation and cloud modernization driving D&A adoption

- Successful enterprises are using digital initiatives and adoption of advanced technologies such as AI/ML to collect data and perform analytics for better insights and fostering better outcomes
- Agile cloud-based approach toward building simplified, scalable, and flexible data architecture for efficient data management and governance are on the rise
- Enterprises are also increasingly recognizing the need to augment analytics to build a data-driven decision-making culture across the organization through democratization of data

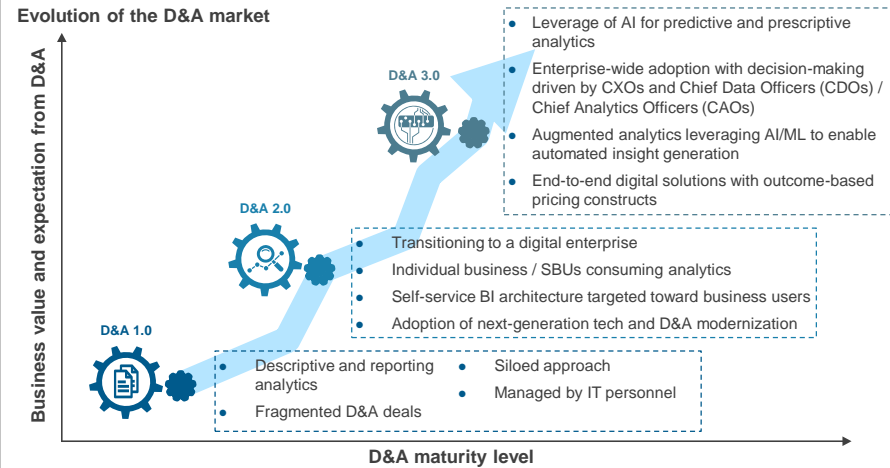


Stand-alone D&A deals are on the rise

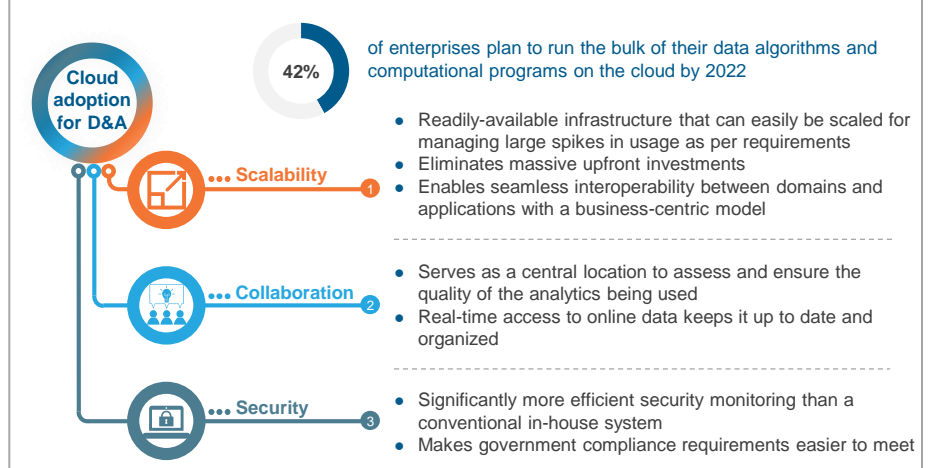
- Steep rise in demand for curated D&A services is being witnessed as part of stand-alone deals; however, a large proportion of enterprises continue to seek D&A services as part of an existing broader IT/BPO relationship
- While FTE-based and fixed cost are the dominant pricing models, greater instances of hybrid constructs involving some outcome-based pricing are on the rise
- India continues to be the most preferred location for D&A delivery, given significant talent availability and low-cost advantage

This study provides a deep dive into the drivers of adoption, deal analysis, and key emerging themes in the D&A market; below are four charts to illustrate the depth of the report

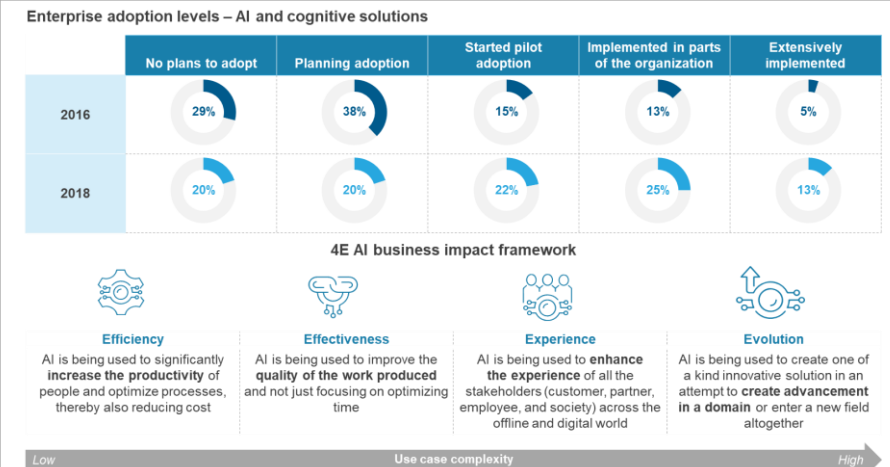
D&A market has entered its third phase of evolution



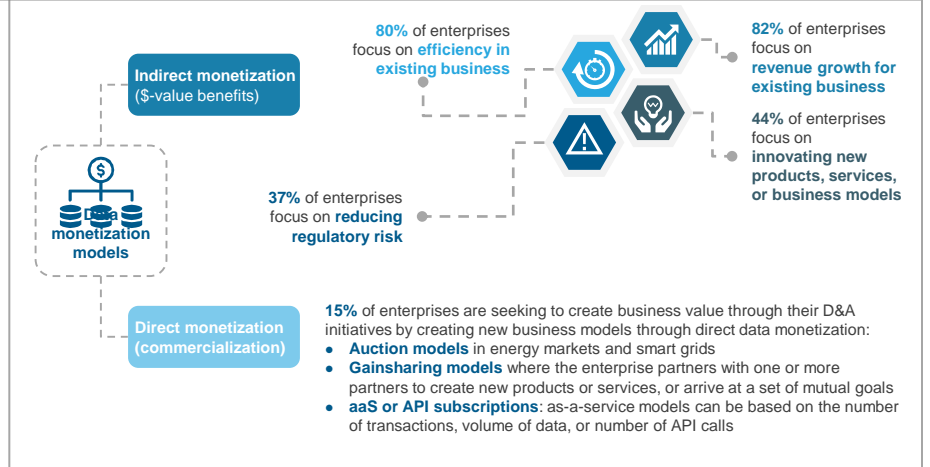
Cloud based approach for data management is on the rise



Increasing adoption of AI/ML to automate business decisions



Data Monetization has become a key emerging theme in D&A



Research calendar – Data & Analytics

■ Published ■ Planned ▭ Current release

Flagship Data & Analytics reports

Release date

Data & Analytics (D&A) Service Provider Landscape with Services PEAK Matrix™ Assessment 2019	May 2019
Advanced Analytics & Insights Service Provider Landscape with Services PEAK Matrix™ Assessment 2020	December 2019
Data & Analytics (D&A) – State of the Market Report	December 2019
Data & Analytics (D&A) Service Provider Landscape with Services PEAK Matrix™ Assessment 2020	Q2 2020

Thematic Data & Analytics reports

CXM Analytics PEAK Matrix for Services Assessment 2019	May 2019
Sales & marketing analytics in Life Sciences: PEAK™ Matrix for Services Assessment 2019	Q4 2019
Analytics in insurance – Third-Party Service Provider PEAK Matrix™ Assessment 2019	Q1 2020
Future of data	Q1 2020

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

Additional research references

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

- 1. Advanced Analytics & Insights – Service Provider Landscape with Services PEAK Matrix™ Assessment 2020**
([EGR-2019-44-R-3309](#)). This report examines the global advanced analytics & insights market and evaluates the positioning of service providers on the Everest Group PEAK Matrix.
- 2. Data & Analytics (D&A) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019**
([EGR-2019-44-R-3309](#)). This study assesses the Data & Analytics capabilities of different service providers and evaluates their positioning on the Everest Group PEAK Matrix.
- 3. Analytics Business Process Services (BPS) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018**
([EGR-2018-0-R-2593](#)); 2018. 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

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