

# Application Services – Preparing for the Post-Pandemic World

October 2020: Complimentary Abstract / Table of Contents



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- Benchmarking | Pricing, delivery model, skill portfolio
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- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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## Background of the research

### Preparing for the post-pandemic world

#### Background of the research

- COVID-19 has had a significant impact on IT services at a global scale including enterprise demand reduction, supply chain disruption, challenges in business continuity, cybersecurity risks, and services continuity challenges;. Application services has not been spared from COVID-19's impact, but enterprises must view these challenges as opportunities to build a more resilient organization
- As enterprises begin to emerge from the pandemic, there is a mandate to transform that commands attention and enterprises are now contemplating permanent changes in their business models to ensure future readiness
- First priority for enterprises would be to ensure that its applications are up and running amidst unprecedented pressure due to Work-from-Home (WFH) as well as changing customer dynamics; security and performance are the two key themes here
- In the long term, enterprises must institutionalize merit-based agile organization model to support continuous innovation; beyond aligned business and IT agenda, enterprises must evolve commercial constructs with service providers, develop ecosystem to drive innovation, invest in future-ready skills, and limit shadow IT with democratized approach

#### The scope of this report includes:

- IT services market size (split across applications, consulting, infrastructure services, geographies, and industry verticals)
- Application services buyer adoption trends across geographies, industry verticals, and revenue sizes
- Key trends shaping the AS market (exploring the effects of COVID-19 on application services)

#### Scope of this report:



**Geography**  
Global



**Services**  
Application services

## Overview and abbreviated summary of key messages

This report aims to help enterprises understand the potential reasons their pre-pandemic application strategy wasn't optimized to respond to rapidly evolving business conditions and what can they do now to ensure future readiness. Apart from this, the report also covers trends at an overall ITS level as well as deal trends in application services for 2019.

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

### Application services overview

- Application services formed 74% of the overall IT services engagements across stand-alone and bundled deal activity; Stand-alone application services deals continue to grab the major chunk of the ITS deals, driven by the growing need to align application strategy with overall business strategy
- In terms of major players, Accenture, TCS, and IBM occupy the top three spots by market size in application services

### Existing applications weren't prepared for COVID-19

- During pandemic, enterprises wanted to move fast and respond to changing business conditions with evolved business models, but applications became a bottleneck
- Major areas of problem with apps were limited scalability, inadequate security posture, inefficiencies due to remote, unfriendly applications and process, and huge legacy debt – monolithic and mainframe applications

### Radical changes needed to keep up with post pandemic enterprise priorities

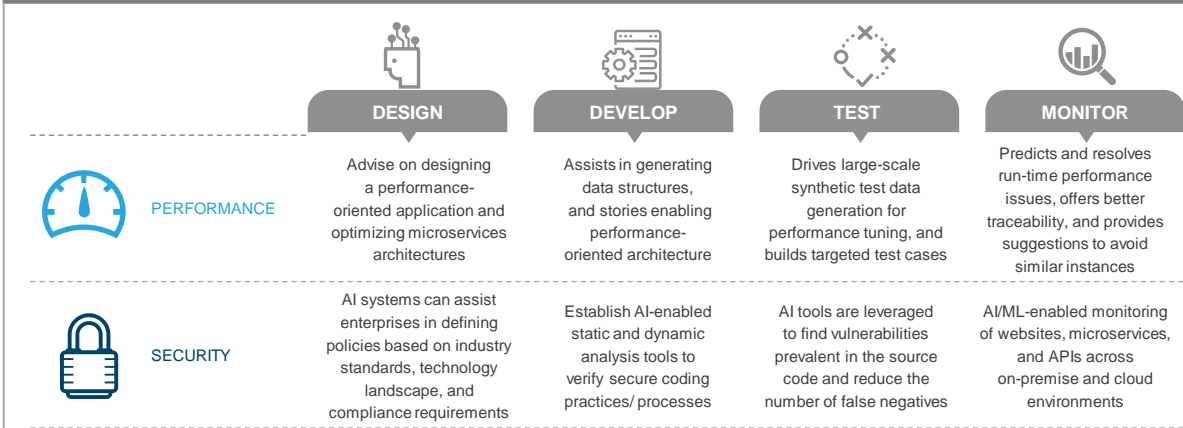
- Once current state is analysed, enterprises need to translate business imperatives into specific application characteristics and accelerate the transformation journey
- Post-pandemic enterprise priorities include preserving cash outflow, ensuring resilient business operations, etc. and to achieve that enterprises must enable distributed workforce model, build reliable and secure applications, use responsive and scalable architecture among others

### Enterprises must undergo application organization transformation

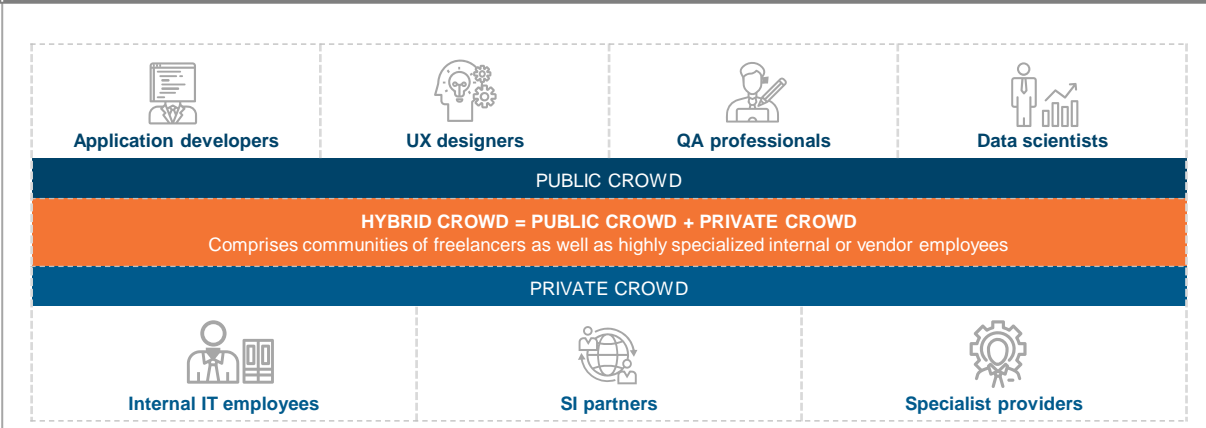
- Revitalized applications act as a strong foundation and enterprises should aim to move towards value-driven approach underpinned by business-centric technology agenda
- Enterprises needs to set long-term, mid-term, and short-term goals for tech alignment and business alignment to stay ahead

# This study offers 4 distinct chapters providing a deep dive into key aspects of application services market; below are four charts to illustrate the depth of the report

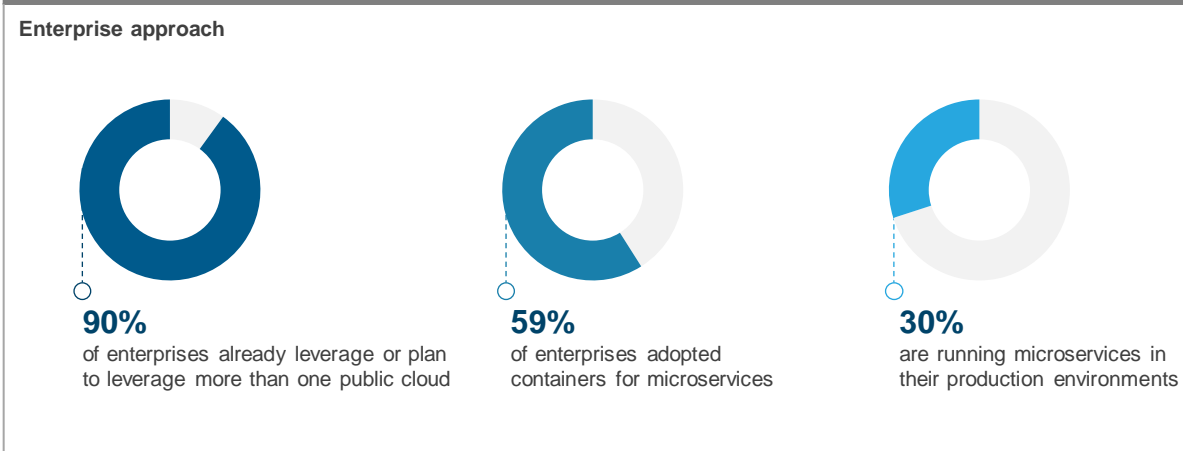
## Security and performance needs to be embedded across the application lifecycle



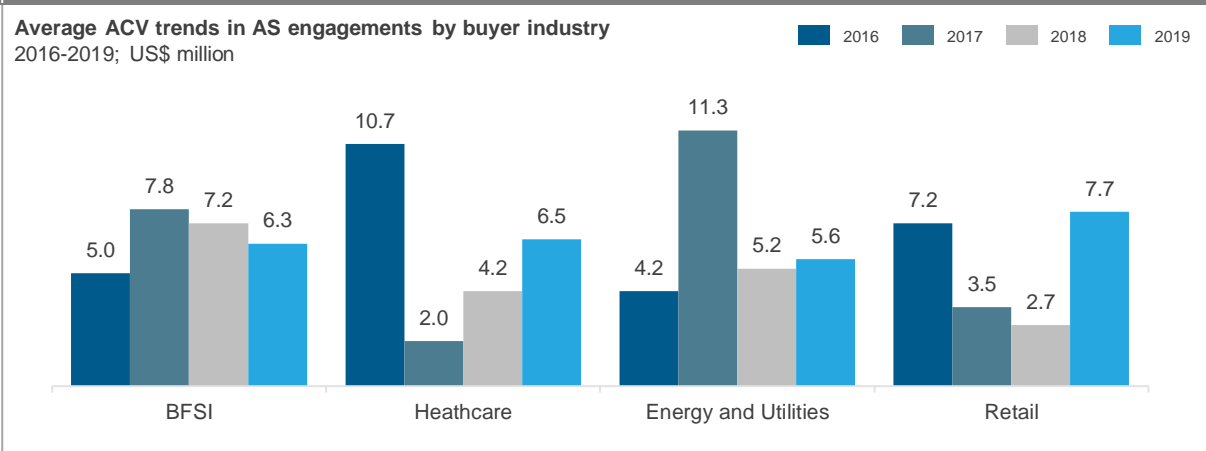
## Enterprises should orchestrate hybrid crowd of resources and tap the gig economy



## Enterprises should start their journey by adopting discrete and dynamic architecture



## Average ACV trends in AS engagements by buyer industry



# Research calendar

## Application services

Published Planned Current release

### Flagship Application services reports

	Release date
Application Transformation Services PEAK Matrix® Assessment 2020	December 2019
Application Transformation – Business Pioneering the Agenda – State of the Market	February 2020
Next-generation Quality Assurance – State of the Market	February 2020
Cloud-Native Application Development Services PEAK Matrix® Assessment 2020	August 2020
Cloud-Native Application Development Service Provider Compendium	September 2020
<b>Application Services – Preparing for the Post-Pandemic World</b>	<b>October 2020</b>
Cloud-Native Application Development Services State of the market	Q4 2020
Next-gen Application Management Services PEAK Matrix® Assessment 2020	Q4 2020

### Thematic Application services reports

	Release date
Breakthrough Transformation	October 2019
Talent Readiness for Next-generation IT Services PEAK Matrix® Assessment 2020 – Closing the Demand-Supply Gap	December 2019
Upcoming Contract Renewals – Application Services 2020	March 2020
Rapid Application Development Platform Trailblazers: Top 14 Start-ups in Low-code Platforms – Taking the Code Out of Coding	May 2020
Strength in Adversity: Enterprise Service Resilience During the COVID-19 Crisis	June 2020
Winning the War for Talent: An Enterprise Guide to Building a Sustainable Workforce Strategy	July 2020
Cloud-based Application Modernization	July 2020

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