Everest Group®
RESEARCH

Market Report | Application Services

Next-generation Application Management Service Provider Compendium 2021

December 2020: Complimentary Abstract / Table of Contents

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Our research offerings for global services

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

Application Services	Finance & Accounting
BPS | Banking & Financial Services	Human Resources
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- This report is included in the following research program(s)
  - Application Services
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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

Contents

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Background of the research

Organizations are leveraging cloud-native application development techniques to improve software development and deployment cycles, deployment frequency, and the quality and relevance of software releases to enable better alignment with business objectives. These techniques have proved to be vital for the improvement of both end-users of the applications and the application developers themselves. While enterprises' application landscape continues to be dominated by monolithic and legacy systems, the new applications built on cloud-native principles have helped enterprises respond to the customer needs and changing business scenarios much more efficiently and quickly.

This report examines the dynamics of the global cloud-native application development service provider landscape. We present an assessment of 21 cloud-native application development service providers featured on the cloud-native application development services PEAK Matrix®.

This report includes the remarks on service offerings, investments, key strengths and areas of improvement for the following 21 leading cloud-native application development service providers featured on the cloud-native application development services PEAK Matrix:

- **Leaders:** Accenture, Cognizant, HCL Technologies, Infosys, TCS, and Wipro
- **Major Contenders:** Brillio, Capgemini, CSS Corp, DXC Technology, LTI, Mphasis, NTT DATA, Softtek, Sopra Steria, and Virtusa
- **Aspirants:** Aspire Systems, DMI, Happiest Minds, Sonata Software, and Zensar

Scope of this report:

Geography
Global

Service providers
21 leading cloud-native application development service providers

Services
Cloud-native application development services

Overview and abbreviated summary of key messages

This report examines the global cloud-native application development service provider landscape. It focuses on service provider position, assessment of their delivery capabilities, and key strengths and areas of improvement of cloud-native application development service providers

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

Service provider delivery capability

- Cloud-native application development service providers can be categorized into Leaders, Major Contenders, and Aspirants on a capability-market-share matrix
- Accenture, Cognizant, HCL Technologies, Infosys, TCS, and Wipro are the current leaders in the global cloud-native application development market. However, several service providers are emerging as major contenders

Service provider characteristics

- Leaders have exhibited strong client orientation and have helped their clients in the development of complex business-critical applications to achieve faster time to value and enhanced user experience
- Leaders have made significant investments in building IPs and partnerships to accelerate the application development process and deliver custom solutions to clients
- Major Contenders have exhibited a high degree of responsiveness to client requirements and have supported clients in building strategy and prospective business cases
- Major Contenders have been able to develop sophisticated applications and are extensively leveraging partnership network to fill capability gaps
- Aspirants are either focused on a region(s) or vertical(s), or currently have relatively small cloud-native application development practice
- While Aspirants are limited by scale to cater to the requirements of large global players, they have been collaborating with clients and other service providers to drive innovation and value through their niche capabilities

The next-generation application management service provider profiles/buyer case studies/architecture of the survey questionnaire, etc.

Next-generation Application Management Service Provider Compendium 2021

Leader | Next-generation application management services (page 1 of 2)
Overview

Overview of services:
Next-generation application management is a major offering under Leader's application services business and comprises a dedicated product and engineering team focused on developing next gen AM features, automation solutions, demos, assets, collateral, and integration of partner tools. Its global delivery has a dedicated applications service line with specialized teams focused on application management, automation services, digital command centers, continuous innovation, and optimization. The delivery model is account-centric and is supported by service line capabilities.

Vision:
Leader's vision for next-generation AMS is to offer holistic managed services and provide a highly automated operations function to help clients fuel a higher proportion of their overall spend back into their ap modernize and enable the business to create market differentiation. Automation is central to the service, with a suite of assets that assist in dealing with repetitive requests, identify sources of technical debt, through continuous integration and continuous delivery.

Strengths
- Leader has built a strong set of solutions for next-generation AMS, leveraging its model such as Platform A that uses AI/ML to drive intelligent operations
- It has a very strong partnership ecosystem and joint GTM strategy with most of the partners for ADM services
- Leader's vast client base provides the necessary knowledge of internal systems to drive automation and AI in client environments
- The company's acquisition of ABC has also improved its offerings and positioning in the AMS market

Areas of improvement
- Leader needs to further enhance its cost competitiveness for AMS engagements; it car low-cost delivery adoption as one of the methods to create better commercial construct
- It has limited AMS-centric talent investments compared with peers and may need to se institutes and increase the breadth of its training programs for AMS to include more nic platforms and technologies
- The company needs to improve its market positioning as a strong AMS service provide enterprises still associate it with infrastructure services

Revenue by industry

High (>20%) | Medium (10-20%) | Low (<10%)

Energy and utilities; Telecom, media, and entertainment; BFSI; Healthcare and life sciences; Electronic, hi-tech, & technology; Retail, distribution, and CPG; Travel and transport; Public sector; Manufacturing; Others

Revenue by buyer size

High (>40%) | Medium (20-4

<US$1billion; US$5-10 billion; >US$20 billion; US$1-5 billion

Revenue by geography

High (>40%) | Medium (15-4

North America; Europe (excluding UK); UK; Asia Pacific; Middle East & Africa; Sout

Next-generation Application Management Service Provider Compendium 2021

Leader | Next-generation application management services (page 2 of 2)
Case studies and solutions

Case study 1 Modernization of services and proprietary platforms

Client: A global insurance provider

Business challenge
The client wanted service stability, cost reduction, modernization of services, and upgradation of legacy/proprietary technology platforms

Solution
Leader ensured contractual commitments, improved service delivery performance, and increased the investment in automation

Impact
The solution led to a 30-40% reduction in tickets

Case study 2 Cost reduction and improved operations

Client: A global aerospace manufacturer

Business challenge
The client needed steep improvement in operations and performance with a significant reduction in the cost paid by the company

Solution
Leader developed applications service automation using propriety solution, an analytics-driven digital operation, ensuring optimization of the delivery model using lean principles

Impact
Continuous improvement in digital operations and significant reduction in the total cost of ownership

Next-generation application management services proprietary solutions (representative list)

Proprietary solutions	Details
Solution 1	Solution for a private installation inside a client's network to deliver four modular automation capabilities: detect, resolve, manage, and improve. It assists clients in dealing with both operations' automation and acceleration of business change. The approach is flexible to incorporate client's own investments in tooling
Solution 2	The solution includes pre-packaged run and maintain for Oracle applications, unlimited portfolio, and managed services for SaaS
Solution 3	Solution for management of a client's applications and infrastructure. It includes IT service management, run book automation, knowledge management, Devcloud, analytics for continuous improvement, and SLA and reporting
Solution 4	AI-/ML-based incident analytics for automated evaluation of opportunities to drive efficiencies in operations.
Solution 5	CI/CD automation capability for multi-platform automation. Accelerated transition and knowledge acquisition assets for remote working capabilities.

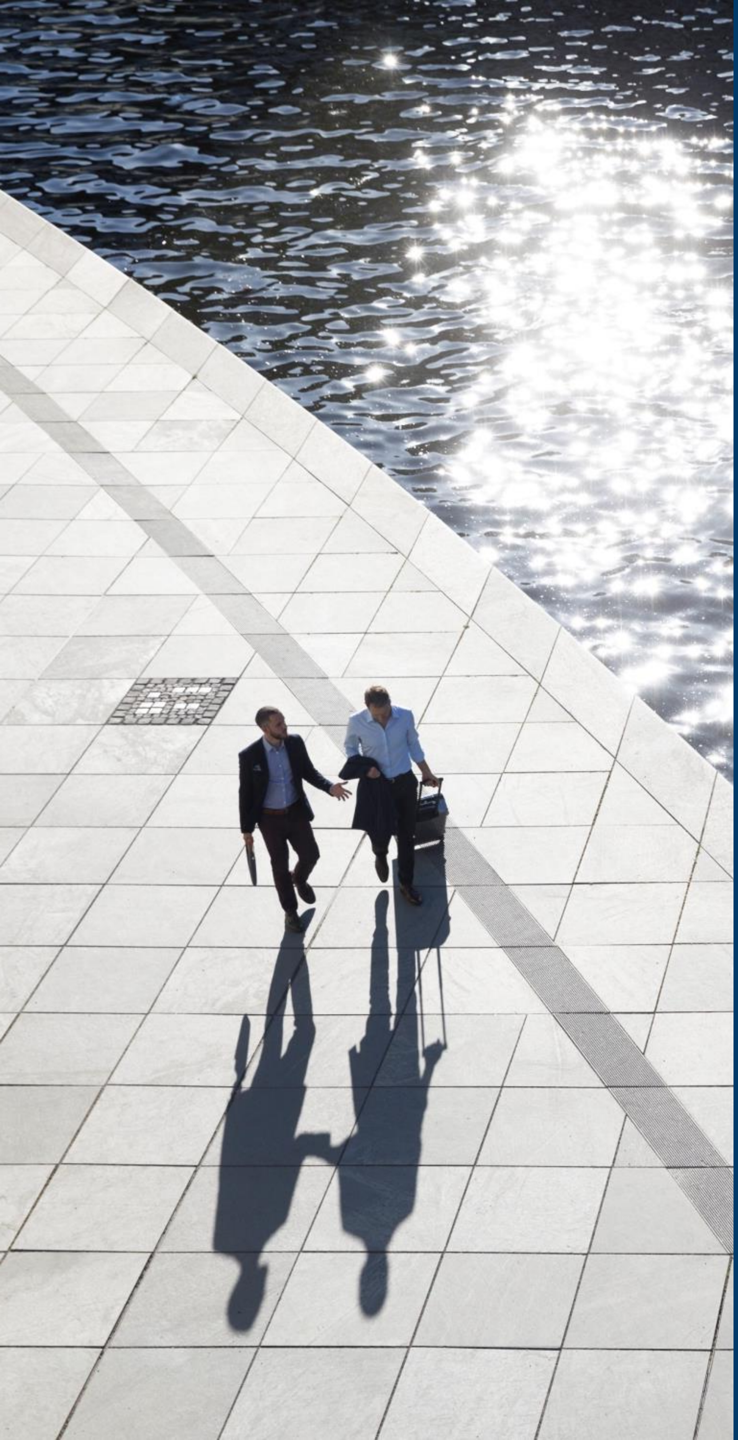
Research calendar
Application services

Published | Planned | Current release

Flagship application services reports	Release date
Cloud-Native Application Development Services PEAK Matrix® Assessment 2020	August 2020
Application Services State of the market	October 2020
Cloud-Native Application Development Service Provider Compendium	October 2020
Next-Generation Application Management Services PEAK Matrix® Assessment 2021	November 2020
Next-generation Application Management Service Provider Compendium	**December 2020**
Cloud-Native Application Development Service – State of the Market	Q1 2021
Next-Generation Application Management Services – State of the Market	Q1 2021
Application Transformation Services PEAK Matrix® Assessment 2020	Q1 2021

Thematic application services reports	Release date
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
Scaling Agile/DevOps: Making Agile/DevOps Work in Enterprises	Q2 2021
RPA in SDLC: Best Practices for Driving Adoption in Enterprises	Q3 2021

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



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