Application Transformation Service Provider Compendium 2021

July 2021: Complimentary Abstract / Table of Contents

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Background of the research

Application transformation is an on-going and continuous process where the application's environment and its features constantly evolve based on the changing business needs and advancements in technologies. To compete in the digital world, enterprises are not only looking to shed yesterday's applications with flexible and modular cloud-based applications, but also to reimagine their processes to align with their cloud-first strategy.

In this research, we present an assessment and detailed profiles of 29 application transformation service providers featured on the application transformation services PEAK Matrix®. Each service provider profile captures a comprehensive picture of its service focus, key Intellectual Property (IP) / solutions, domain investments, and case studies. The assessment is based on Everest Group's annual RFI process for the calendar year 2021, interactions with leading application transformation services providers, client reference checks, and an ongoing analysis of the application transformation services market.

This report includes the profiles of the following 29 leading application transformation service providers featured on the application transformation services PEAK Matrix®:

- **Leaders:** Accenture, Cognizant, HCL Technologies, IBM, Infosys, TCS, and Wipro
- **Major Contenders:** Aspire Systems, Atos, Brillio, Capgemini, Deloitte, DXC Technology, LTI, Mindtree, Mphasis, NTT DATA, Softtek, Sopra Steria, Stefanini, Tech Mahindra, UST, and Virtusa
- **Aspirants:** Cybage, Damco Solutions, Datamatics, GAVS, Jade Global, and Value Labs

Scope of this report:

Geography
Global

Service providers
29 leading application transformation service providers

Services
Application transformation services

Application transformation services scope (page 1 of 2)

NOT EXHAUSTIVE

Definition

Application transformation refers to the migration/adaptation of an existing application to a modern environment designed to significantly increase the value delivered in terms of functionality or experience or both. It includes change management of technology, processes, and user behavior. Transformation may happen from any source to any destination environment using different methods as listed.

Source	Destination
Bespoke, legacy, and packaged applications	Cloud-based / SOA-based / web applications
Database and cloud infrastructure	New/upgraded databases and new/upgraded cloud infrastructure

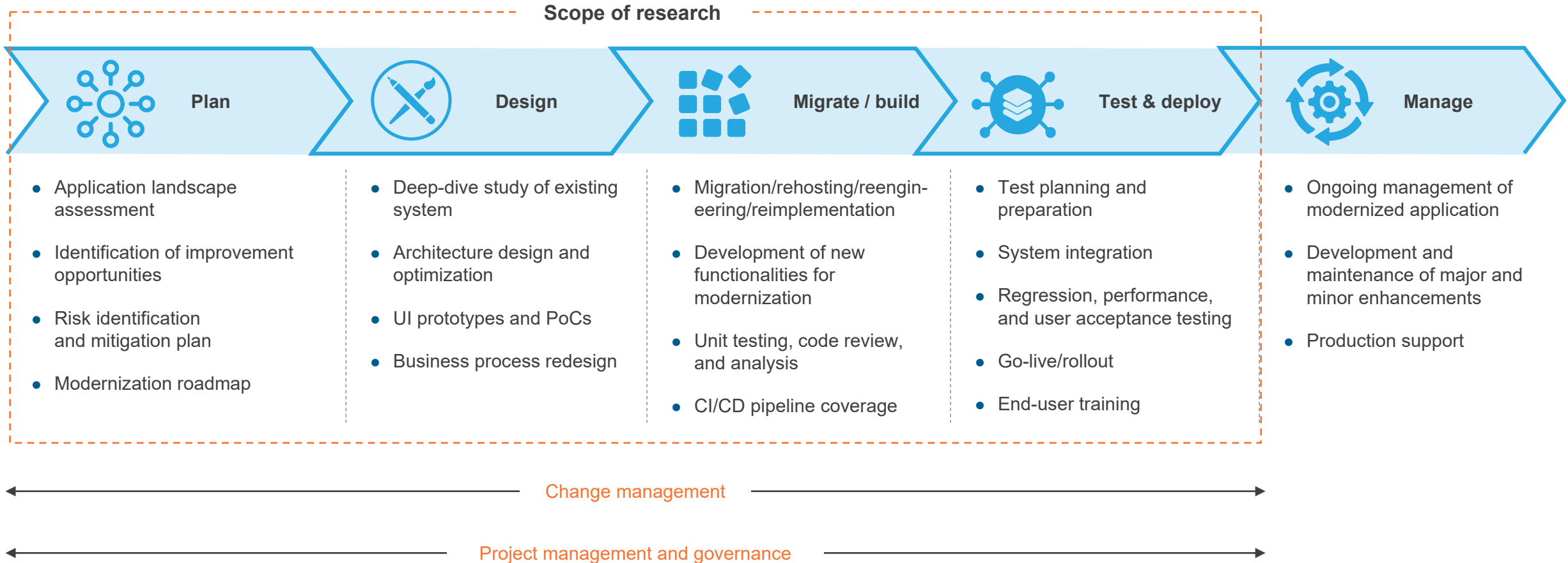| Methods	Definitions
Lift-and-shift to cloud	Migration of on-premise application to cloud environment
Platform-led modernization	Migrating to a modern platform (e.g., new run time) with some meaningful tweaks to the existing application
Refactor	Re-architecture/redesign of applications using modern constructs such as SOA, API, microservices, and containers
Package implementation	Consolidation of apps to implement a COTS product
UI/UX modernization	Modernization of interactive layer of an application
Code modernization	Application modernized through code changes from COBOL, .NET, etc., to modern programming languages such as Java

Excluded: the following aspects are beyond the scope of application transformation as part of this research	
Greenfield implementation	Greenfield implementation of COTS packages/custom application, e.g., package implementation of a COTS product
Functionality	Bolt-on functionality developed on an application, e.g., additional features developed on a bespoke legacy application
Modifications	Change Requests (CR), user stories, customer inputs, and other minor/major modifications to the application, e.g., CRs generated from user feedback in Agile Sprints
Management	Ongoing management, maintenance, and support of the modernized application, e.g., steady-state support for a new modernized website hosted on Microsoft Azure, updated to latest version of the application

Source: Everest Group (2021).

Application transformation services scope (page 2 of 2)

ILLUSTRATIVE

Scope of research

Plan	Design	Migrate / build	Test & deploy	Manage
• Application landscape assessment	• Deep-dive study of existing system	• Migration/rehosting/reengin-eering/reimplementation	• Test planning and preparation	• Ongoing management of modernized application
• Identification of improvement opportunities	• Architecture design and optimization	• Development of new functionalities for modernization	• System integration	• Development and maintenance of major and minor enhancements
• Risk identification and mitigation plan	• UI prototypes and PoCs	• Unit testing, code review, and analysis	• Regression, performance, and user acceptance testing	• Production support
• Modernization roadmap	• Business process redesign	• CI/CD pipeline coverage	• Go-live/rollout	
			• End-user training	

← Change management →

← Project management and governance →

Source: Everest Group (2021).

The application transformation service provider compendium report has profiles and buyer case studies for 29 leading service providers

XXX | Application Transformation Services profile (page 2 of 4)
Overview

Vision
XXX envisions helping its clients by eliminating unnecessary operating costs, streamline processes, and enable them to focus on strategic and transformational initiatives. Its modernization practice aims to move applications to newer, less expensive, and more efficient technology platforms and enhance applications' functionality to promote faster and secure software development.

Scope of services
Application transformation at XXX is owned by enterprise architecture practice. Services aligned to transformation/modernization include application migration strategy, formulation of roadmap, different modes of application transformations such as encapsulation of applications exposing APIs, rehosting services, replatforming, rearchitecture of applications, refactoring, and replacement by COTS product

Application transformation services revenue

| <US$200 million | US$200-500 million | US$500-US$1 billion | >US$1 billion |

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

Adoption by function

| Advisory | Implementation | End-to-end implementation |

Revenue by buyer size

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

Adoption by industry

Energy and utilities	Manufacturing
Healthcare and life sciences	Electronics, hi-tech, and technology
Travel and transport	Public sector

Revenue by geography

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

XXX | Application transformation services profile (page 3 of 4)
Offerings

Proprietary solutions for application transformation (representative list)

Solution name	Details
Solution 1	Solution 1 is a proprietary framework that XXX leverages for engagements such as product development, application modernization, and digital transformation. The framework stiches XXX's capabilities and solutions for cloud and microservices, human-centric design, data and analytics capabilities for application transformation
Solution 2	The YYY is leveraged at the initial stage of engagement. It is a template that XXX leverages to recommend different modes of application transformation using contextual knowledge of the application landscape and the intelligence from previous engagements
Solution 3	XXX leverages its tools and solutions such as application modernization accelerators, code conversion tools, skeleton code genera... application transformation engagement

Application transformation services partnerships (representative list)

Partner name	Details
Partner 1	XXX is a member of YYY partner network and is a select consulting partner for cloud services
Partner 2	XXX is a Gold partner for YYY solutions
Partner 3	It is an authorized partner for YYY' solutions and products
Partner 4	It has a bronze partnership with YYY for its solutions
Partner 5	It has a Bronze partnership and is a certifies integration partner for YYY solutions

Application transformation services investments (representative list)

Investment name	Details
Talent investment	XXX has a dedicated L&D platform for upskilling its employees. It also invests in certification for next-gen capabilities and conducts hackathons

XXX | Application transformation services profile (page 4 of 4)
Case studies

Distribution across predominant methodology used to transform the application

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

| Lift and shift to cloud | Platform led modernization | Refactor | Package implementation | UI/UX modernization | Code modernization |

Case study 1 — Helped the client automate business processes & streamline processes
Client: A leading enterprise IT asset disposition provider

Business challenge
- Client wanted a Saas based web application which could take care of performance, scalability and maintainability of the application with implementation of the rule engine which will drive the entire business with customization
- Implement continuous integration and deployment processes (CI and CD) for all of its applications

Solution
- Enhanced the clients' application to web application followed by offering Development and QA services
- Eventually re-architectured their entire web application to cloud based services
- Offered end-to-end functional services for the client's portal, including Enterprise ITAD and Reverse Logistics (RL)
- Proposed re-designing from in-house to cloud architecture
- Supported the client in leveraging its web application to incorporate requested enhancements or changes
- Extended a dedicated testing team that works in collaboration to execute functional and regression tests across all of its applications

Impact
- Over 83% reduction in application downtime in Dev/QA/UAT
- About 96% reduction in application downtime in production
- Over 75% reduction in time spent on database administration

Case study 2 — Platform-led modernization for an online photo service provider
Client: A leading online photo service provider with more than 200 million customers and 20+ billion photos stored online

Business challenge
- Client's existing platform has a monolithic architecture with million+ LOC
- Increased build time and long test cycles, home grown frameworks & sticky sessions
- Steep learning curve & hard to find talent
- High maintenance, setup and licensing cost
- Slower delivery cycles – Waterfall model
- Communication gaps in knowledge Transfer and lengthy partner onboarding cycle

Solution
- Developed platform 2.0 while maintaining platform 1.0 for the small and independent functions and gradually shifted all functions to platform 2.0 and phased out platform 1.0
- Following are the major changes adopted by the team: SOA & multi-Tenant Architecture, waterfall to Agile, DevOps Model / Culture, and capacity planning

Impact
- Over US$ 30M saved on Oracle licensing
- About 40% reduction in infrastructure cost
- Over 22% reduction in operational cost by optimizing team, with improved productivity
- About 70% reduction in partner onboarding cycle time
- Quick release cycles with minimum complexities

Research calendar
Application services

Flagship reports	Release date
Cloud-native Application Development Services PEAK Matrix® Assessment 2020	August 2020
Cloud-native Application Development Service Provider Compendium	September 2020
Application Services – Preparing for the Post-pandemic World	October 2020
Next-generation Application Management Services PEAK Matrix® Assessment 2020	November 2020
Next-generation Application Management Service Provider Compendium	December 2020
Cloud-native Application Services – the Cloud-native Juggernaut is Rolling; Be Mindful of Pitfalls	January 2021
Application Transformation Service Provider Compendium 2021	**July 2021**
Enterprise QA Services PEAK Matrix® Assessment 2021	Q3 2021

Thematic reports	Release date
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
Upcoming Contract Renewals – Application Services 2021	March 2021

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