

Industry Insights – Technology

July 2021: Complimentary Abstract / Table of Contents



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Tracking: service providers, locations, risk, technologies

Locations: costs, skills, sustainability, portfolios

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Background of the research

Background of the research

The report provides fact-based data and analysis on key trends and developments in global outsourcing for the technology industry. The report captures key developments across offshore locations leveraged for service delivery, offshore penetration and sourcing mix, global sourcing maturity, and adoption of digital services in the technology industry. Additionally, it presents upcoming opportunities, implications, and challenges for service providers and enterprises in the next normal

The scope and methodology of this report includes:

- Key trends for global sourcing in technology industry
- Leading offshore locations leveraged for service delivery
- Offshore penetration and sourcing mix across key functions - these include technology operations, corporate functions (F&A, HR, and procurement), and digital services (analytics, automation, cloud, Internet of Things (IoT), cybersecurity, and blockchain)
- Global sourcing maturity across key functions – technology operations, corporate functions, and digital functions
- Adoption of digital services (analytics, automation, cloud, Internet of Things (IoT), cybersecurity, and blockchain) in technology
- Next Normal crisis and challenges

In this research study, we analyze the technology global market landscape and its changing dynamics. We focus on:

- The global sourcing adoption of both GBS centers and third-party service providers by leading technology firms
- Examples of key market participants:
 - Technology enterprises – Amazon, Dell, Facebook, Google, HP, Huawei, Intuit, Microsoft, Oracle, Samsung, SAP, and Uber
 - Global service providers supporting technology industry – Accenture, Cognizant, HCL, IBM, Infosys, Tech Mahindra, TCS, and Wipro
 - Other specialist service providers supporting technology industry – AnChain.AI, KoreConX, Minsait, and Viking Analytics

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

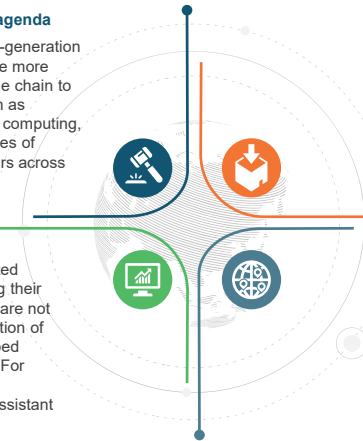
Key trends for global sourcing in technology

Develop new capabilities to support future business agenda

Technology enterprises are increasingly investing in next-generation capabilities to explore business opportunities and become more resilient. Their GBS organizations are moving up the value chain to support more complex next-generation technologies such as advanced analytics, AI/ML, Internet of Things (IoT), edge computing, and augmented/virtual reality. There are multiple evidences of technology enterprises setting up global innovation centers across offshore and nearshore locations.

Empower localization of product portfolio

As consumer needs are changing and demand for localized products is increasing, technology companies are utilizing their GBS organizations to provide them local expertise. They are not just supporting, but in select cases, owning overall execution of localization of products. GBS organizations have developed capabilities to gain better insights of the regional market. For instance, a Japanese consumer electronics company is leveraging its GBS organization to localize an AI virtual assistant by making it compatible with the regional accent.



Strengthen talent strategies

As GBS organizations move up the value chain to support delivery of next-generation technologies, they need to reimagine their talent strategies. While leading offshore locations have access to a large and expanding technology talent pool, they have traditionally lagged behind their onshore counterparts. To tackle this, they are increasingly focusing on revamping their training & development programs and building a future-ready workforce.

Insourcing of corporate functions

While traditionally corporate functions, being non-core to the business, have been outsourced to service providers, they are now getting insourced and being delivered from their GBS organization by technology company. For instance, a US-based internet company opened a center in Manila, Philippines, to deliver procurement services. This is part of its larger strategy to insource procurement hubs across locations by insourcing them from service providers.

Leading offshore locations leveraged by technology firms



Case examples of adoption of next generation technologies

Case examples

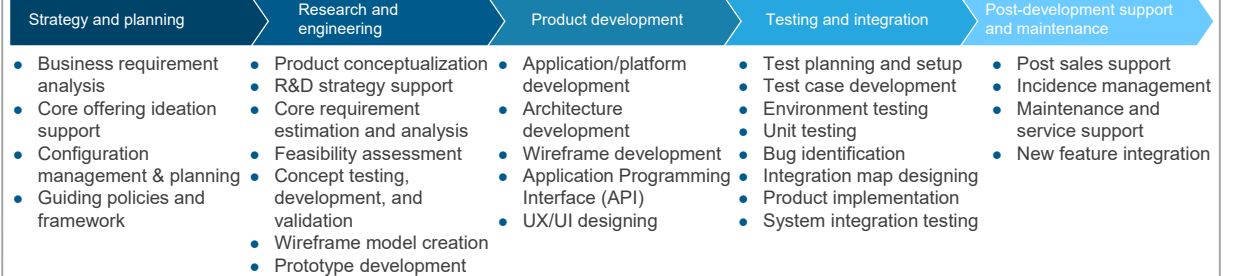
A US-based FinTech company is working on an AI-driven expert platform to drive innovations like knowledge engineering, where business logic and compliance rules are being encoded to simplify and create personalized experiences at scale.

A leading global information and insights company opened its GBS in Pune, India, to build data science and analytics, digital technologies, mobile computing, and intelligent automation-based capabilities.

A leading global professional services organization, today announced a strategic alliance with a US-based technology giant to develop and deliver innovative high-performance intelligence and analytics advisory services in India. The long-term strategic relationship will focus on enabling clients with real-time business insights that can enhance customer engagement.

Key value-chain process in technology firms

Industry-specific processes



Horizontal processes

- Traditional IT services – IT application development & maintenance, IT infrastructure, and system integration
- Digital services – analytics, automation, AI, cloud, IoT, cybersecurity, and blockchain
- Corporate functions (finance & accounting (F&A), human resources (HR), procurement (non-core), legal, contact center (CC), and sales & marketing)

Research calendar – Market Vista™

■ Published
 ■ Planned
 ■ Current release

Flagship Market Vista reports	Release date
Market Vista™ : Q1 2021	February 2021
Market Vista™ : 2020 Year in Review and Outlook for 2021	March 2021
Market Vista™ : Q2 2021	May 2021
Market Vista™ : Q3 2021	Q3 2021
Market Vista™ : Q4 2021	Q4 2021
Market Vista™ : Q1 2022	Q1 2022
Market Vista™ : 2021 Year in Review and Outlook for 2022	Q1 2022

Thematic Market Vista reports	Release date
Market Vista™ : Industry Insights – Lifesciences	June 2020
Market Vista™ : Industry Insights – Oil & Gas	October 2020
Is Work From Home (WFH) the Future of Work? A Perspective on WFH, Locations, and Delivery Strategy Beyond COVID-19	December 2020
Recalibrating for Resiliency – 2021 Key Issues in Global Sourcing – Enterprise Perspective	December 2020
Business Process Services (BPS) 4.0: Heralding the Start of a New Era	February 2021
Market Vista™ : Industry Insights – Technology	July 2021
Market Vista™ : Industry Insights – Banking	Q3 2021
Market Vista™ : Industry Insights – Insurance	Q4 2021

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