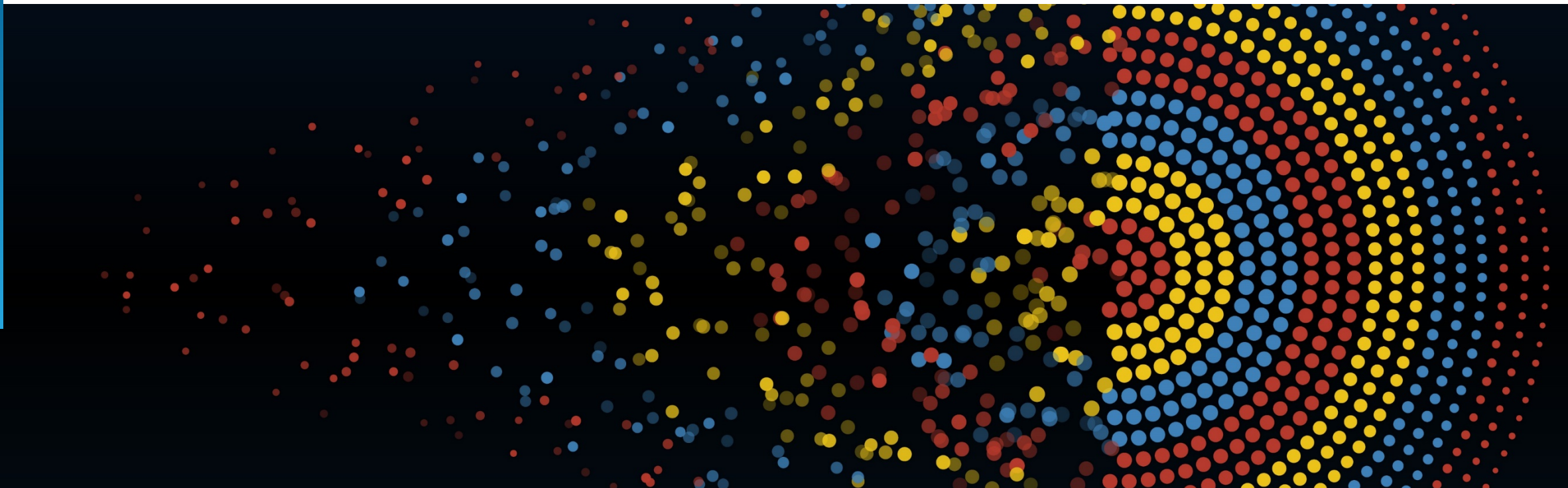


Data and Analytics (D&A) Services State of the Market Report 2022

January 2022: Complimentary Abstract / Table of Contents



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This report is included in the following research program(s):

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- ▶ Application Services
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Background of the research

While COVID-19 temporarily impacted the overall services industry, it pushed the needle for digital transformation. The pandemic accelerated enterprises' focus on cloud, data, analytics, and AI investments to ensure business continuity and drive direct business outcomes. The consumption of data, analytics, and AI services rose as enterprises invested in augmenting their in-house talent pool, reducing time-to-insights, repairing obsolete analytical models, and understanding the fast-evolving customer behavior. However, the industry still grapples with multiple challenges including talent shortage and lack of expertise to scale advanced analytics and AI initiatives. The service provider ecosystem is also fast-evolving to keep up with the enterprise demands and challenges across the industry. With service providers trying to be the digital transformation partner of choice by investing in end-to-end D&A capabilities, the lines between different service provider segments in the market are blurring.

This research covers a comprehensive analysis of the D&A services market based on Everest Group's proprietary database of D&A deals, interactions with leading D&A service providers & enterprises, and an ongoing analysis of the D&A services market.

This report includes:

- COVID-19 impact on IT and D&A services
- D&A services adoption
- Enterprise sourcing strategy
- Emerging trends
- Service provider landscape

Scope of this report



Geography
Global



Industry
Cross-industry



Services
D&A services

Overview and abbreviated summary of key messages

This report examines the global D&A services market and provides insights into the impact of COVID-19 on the IT and D&A services market, D&A services adoption across different industries, geographies, and buyer enterprises, enterprise sourcing strategy, emerging trends in the market, and provider landscape dynamics.

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

COVID-19 impact on IT and D&A services

- The IT services market is undergoing a V-shaped recovery as the demand for large digital transformation initiatives picked up in the later half of 2020
- Data, analytics, AI, and cloud have become key enabling technologies supporting organization-wide digital transformation initiatives

D&A services adoption

- The global D&A services market is set to cross the US\$100 billion mark by 2022. From a geographic lens, North America accounted for a major share of the market and from an industrial lens, Banking, Financial Services, & Insurance (BFSI) continued to be the largest adopter of D&A services
- Mid- and large-sized enterprises are leading the market as data modernization initiatives and the adoption of domain-specific advanced analytics use cases continued to rise among these buyer segments

Enterprise sourcing strategy

- Due to the rise in the importance of the role of Chief Data Officer (CDO) over the past few years, a large proportion of D&A engagements are being co-led by CDOs and other business stakeholders
- Although traditional pricing constructs continued to dominate, enterprises are proactively aiming to adopt business outcome-based and hybrid pricing models as outcomes-oriented D&A initiatives rise

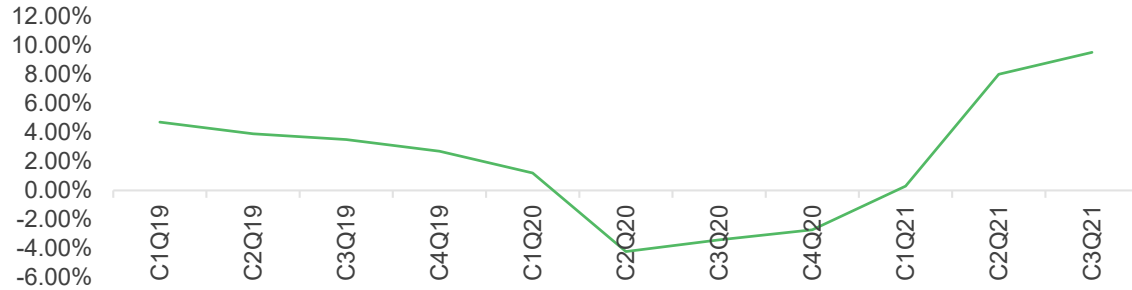
Service provider landscape

- Six major provider segments in the D&A services ecosystem have been identified based on their D&A focus areas – BPO-heritage service providers, IT professional services firms, consulting-heritage firms, analytics and AI specialists, hyperscalers, and Independent Software Vendors (ISVs)
- There is a huge realignment in the vendor ecosystem with each player trying to be the digital transformation partner of choice, blurring the boundaries between these segments

This study offers five distinct chapters providing a deep dive into key aspects of the D&A services market; below are four charts to illustrate the depth of the report

IT services industry growth history

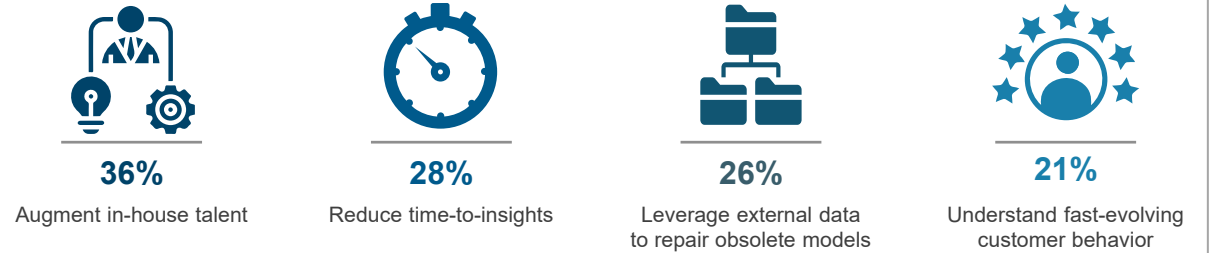
IT services industry growth history¹
(YoY growth in organic constant currency)



¹ Based on 20 major services businesses as a proxy for the overall IT services industry.
Source: Everest Group (2022) and company reports.

Reasons driving data, analytics, and AI services consumption

Top reasons for outsourcing data, analytics, and AI services¹
Percentage of enterprises

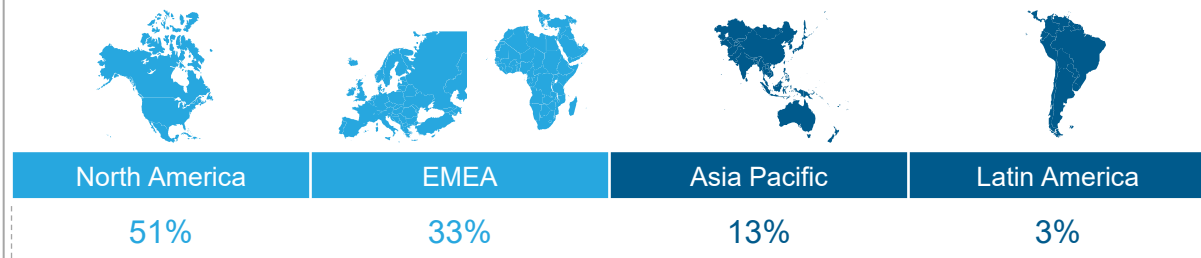


¹ Based on 20 major services businesses as a proxy for the overall IT services industry.
Source: Everest Group (2022) and company reports.

Geography adoption

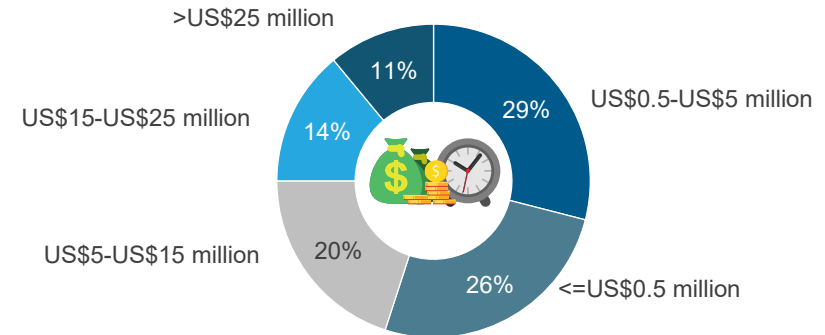
D&A services adoption by geography
Annual revenue in US\$ billion; 2021E
100% = 87-92

Estimated CAGR: (2018-21) ■ Low (<10%) ■ Medium (10-15%) ■ High (>15%)



Engagement size

Share of D&A deals
Percentage of new deals, based on TCV; 2021E
100% = ~2000¹



Research calendar

Data and Analytics

■ Published
 ■ Planned
 ■ Current release

Flagship reports

	Release date
Artificial Intelligence (AI) Services – State of the Market Report 2021 Scale the AI Summit Through Democratization	January 2021
Data and Analytics (D&A) Services PEAK Matrix® Assessment 2021	July 2021
Data and Analytics (D&A) Service Provider Compendium 2021 – Update	September 2021
Analytics and AI Services Specialists PEAK Matrix® Assessment 2021	November 2021
Advanced Analytics & Insights (AA&I) Services PEAK Matrix® Assessment 2022	December 2021
Data and Analytics (D&A) Services State of the Market Report 2022	January 2022
Analytics and AI Services Specialists Compendium 2022	Q1 2022

Thematic reports

	Release date
Recalibrating for Resiliency – 2021 Key Issues in Global Sourcing – Enterprise IT Perspective	January 2021
From Dissatisfaction to Delight: Sustaining Client Satisfaction in the Post-pandemic World	March 2021
Customer Data Platform Trailblazers: Top 15 Startups Redefining Hyper-personalization	March 2021
Analytics Accelerating Industry 4.0: The Quest for Operational Resilience and Agility in Manufacturing	May 2021
Data Modernization – The Backbone of a Future-ready Enterprise	July 2021
Augmented Data Management: Leveraging the Power of Artificial Intelligence to Handle the Data Deluge	October 2021
Driving Enterprise Business Transformation with Next-generation Data Management	December 2021
Machine Learning Operations (MLOps): the Foundation of an Enterprise Built on Artificial Intelligence (AI)	January 2022

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



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