ACES Automotive Engineering Services PEAK Matrix® Assessment 2023: Navigating the Future of Automotive Landscape

September 2023: Complimentary Abstract / Table of Contents

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Introduction

The automotive industry is at an inflection point, where global sustainability concerns, increasing consumer demands, and rapid technological advancements have coalesced to propel rapid growth. In this dynamic landscape, the focus is shifting from conventional mobility solutions to a more captivating and immersive automotive experience. Automotive enterprises are now eagerly hopping on to this transformative paradigm, embracing the idea of enhancing customer experience and redefining the future of mobility. Some of the major areas of investment include:

- Autonomy Advancements: Investments in L3 to L5 autonomous technologies, intelligent adaptive cruise controls, safety systems, and sensor fusion tech to transform driving experiences
- Connected Ecosystems: Connectivity and data management are forging powerful collaborations between automotive players and players from diverse verticals such as fintech, insurance, technology, and telecommunication to bring in several after-sales services
- Software-Centricity: With the emergence of software-defined vehicles, there is an increased level of investments in software development and partnerships with technology players
- Electrification Imperative: The need to address environmental concerns and stringent governmental regulations has accelerated the investments in electric, hybrid, and fuel cell technologies

This research, the fourth edition of Everest Group's **ACES Automotive Engineering Services PEAK Matrix®** Assessment, evaluates 26 engineering service providers, features them on the PEAK Matrix®, and shares insights into enterprise sourcing considerations. The study is based on RFI responses from service providers, interactions with their automotive engineering leadership, client reference checks, and ongoing analysis of the engineering services market.

The report assesses the following 26 leading engineering service providers featured on the ACES Automotive Engineering Services PEAK Matrix®:

- **Leaders:** Alten, Capgemini, HCLTech, KPIT, LTTS, TCS, and Wipro
- **Major Contenders:** Akkodis, AVL, Bertrandt, Cognizant, Cyient, DXC Technology, FEV, FPT, IAV, Infosys, NTT DATA, Tata Elxsi, Tata Technologies, Tech Mahindra, and T-Systems
- **Aspirants:** Onward Technologies, Sasken, Semcon, and Sigma Software

Scope of this report

Geography
Global

Providers
26 leading broad-based and pureplay service providers

Services
Automotive engineering services

Overview and abbreviated summary of key messages

This report examines the global ACES engineering services landscape and assesses 26 service providers. It focuses on service providers' capabilities and market impact in helping enterprises undergoing the transformation toward ACES and SDVs. It also draws insights on the trends being followed by service providers in ACES automotive engineering services.

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

Service provider position and delivery capability

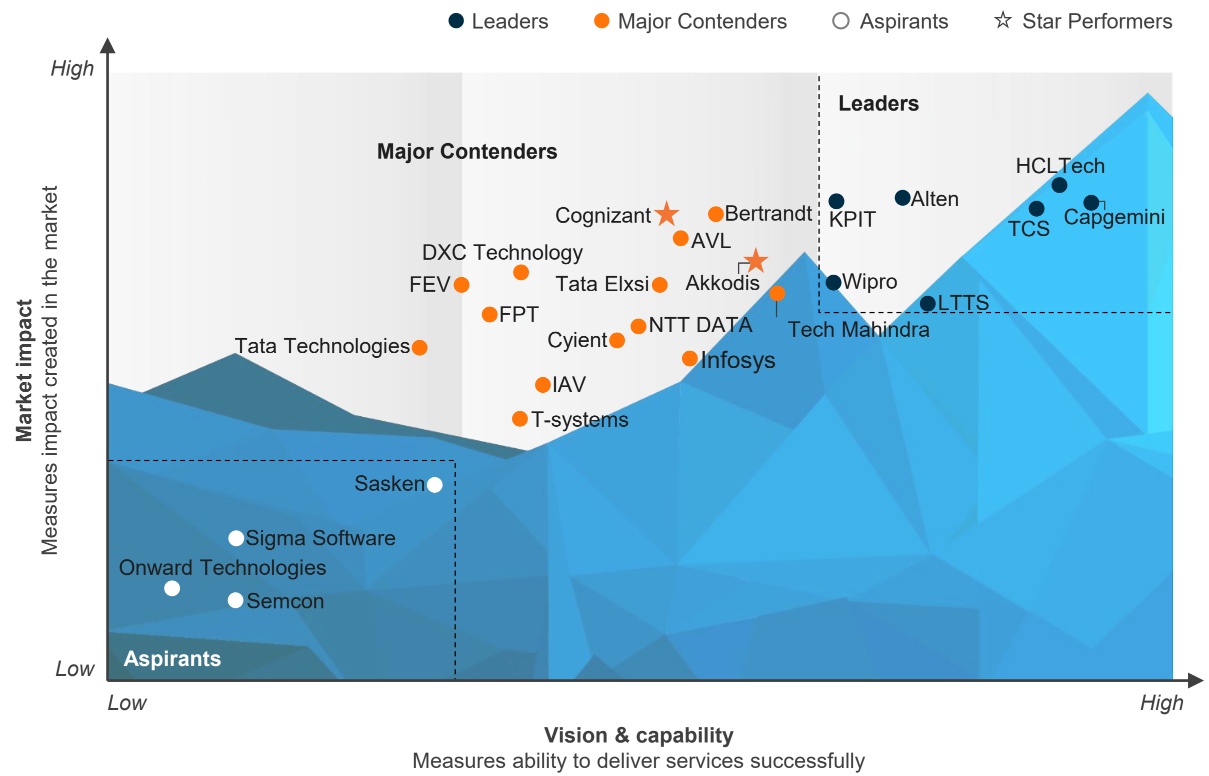
- Service providers can be categorized into leaders, major contenders, and aspirants on a capability-market-share matrix for ACES engineering services
- Alten, Capgemini, HCLTech, KPIT, LTTS, TCS, and Wipro are the current leaders in the global ACES engineering services market. However, several service providers are emerging as major contenders
- Akkodis and Cognizant have emerged as the Star Performers owing to the compelling growth momentum showcased by them – both in terms of revenue and differentiated capabilities

Service provider characteristics

- The Leaders segment comprises a mix of pure-plays, and well-established IT-heritage firms that have excelled in providing comprehensive automotive engineering services across multiple disciplines. They differentiate themselves by offering a comprehensive value proposition that spans emerging domains, service elements, and traditional automotive solutions. They leverage assets and partnerships effectively, particularly in software and embedded systems development, resulting in a diverse portfolio of offerings in autonomous, connected, and electric mobility. Leaders make significant investments in Intellectual Property (IP), Centers of Excellence (CoEs), employee certifications, and labs, showcasing their expertise in ADAS, sensor fusion, infotainment, V2X communications, battery management systems and software
- The Major Contenders segment comprises a mix of IT-heritage firms, pure-play engineering firms with a broader industry focus, and players that have a dedicated focus on automotive engineering services. While these players have made significant investments in building automotive engineering expertise, their service portfolio is not as extensive as that of Leaders (in terms of presence across the value chain elements, geographies, or service functions). They are also focusing on expanding their delivery presence and leveraging partnerships with hyperscalers, technology firms, and academia to strengthen their presence in automotive engineering services
- Aspirants possess strong capabilities in specific technology areas and value chain elements; however, their global presence and ability to serve projects with wider scopes is limited. They are making focused investments for enhancing their solutions portfolio, improving service enablement capabilities, and expanding their footprint and client base

This study offers three distinct chapters providing a deep dive into key aspects of ACES automotive engineering services market; below are three charts to illustrate the depth of the report

Everest Group ACES Automotive Engineering Services PEAK Matrix® Assessment 2023[1]



1 Assessments for Alten, AVL, Bertrandt, DXC Technology, FEV, IAV, Semcon, Sigma Software, and Tata Technologies exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interaction with buyer

Source: Everest Group (2023)

Capability assessment

Illustrative example

Measure of capability: Low High

Providers	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
Provider 1									
Provider 2									
Provider 3									
Provider 4									
Provider 5									
Provider 6									
Provider 7									
Provider 8									
Provider 9									

Everest Group's remarks on providers

Illustrative example

Measure of capability: Low High

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall

Strengths

- Provider 1, showcases a good mix of pricing models in both traditional as well as emerging models such as outcome-based pricing
- It has a strong presence in all phases of the automotive engineering services value chain, from product design to product support, while maintaining a balanced presence across software, embedded, and mechanical engineering service functions

Limitations

- Provider 1 client portfolio is majorly skewed toward Europe, with lower focus on North America and APAC
- While Provider-1 has focused on investments in the form of IP, labs, and partnerships, it has a relatively lower coverage of investments in employee certifications specific to ACES subdomains (such as power electronics, V2X, and HMI) and other quality standard certifications

Research calendar

Engineering Research and Development

Published | Planned | Current release

Reports title	Release date
Acing the Art of Platform-driven Growth: Software Product Engineering Services PEAK Matrix® Assessment 2023	December 2022
Software Product Engineering Services – Provider Compendium 2023	February 2023
Unleashing the Era of Phygital Manufacturing – Industry 4.0 State of the Market 2023	February 2023
Engineering R&D (ER&D) Outlook for 2023	February 2023
Engineering Services CXO Insights: Key Issues Report 2023	April 2023
5G Engineering Services PEAK Matrix® Assessment 2023: The Next Frontier in the Hyperconnected Era	June 2023
5G Engineering Services – Provider Compendium 2023	July 2023
ACES Automotive Engineering Services PEAK Matrix® Assessment 2023: Navigating the Future of Automotive Landscape	**September 2023**
ACES Mobility Engineering Services – Provider Compendium 2023	Q3 2023
Navigating the Enterprise Adoption of Generative AI	Q3 2023
Engineering Services Top 50 2023	Q3 2023
Trends in the Top 200 Engineering Research & Development (ER&D) Enterprises 2023	Q3 2023
Unlocking the Growth Frontier through Software Product Innovation	Q3 2023
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5G Engineering Services State of the Market 2023	Q4 2023

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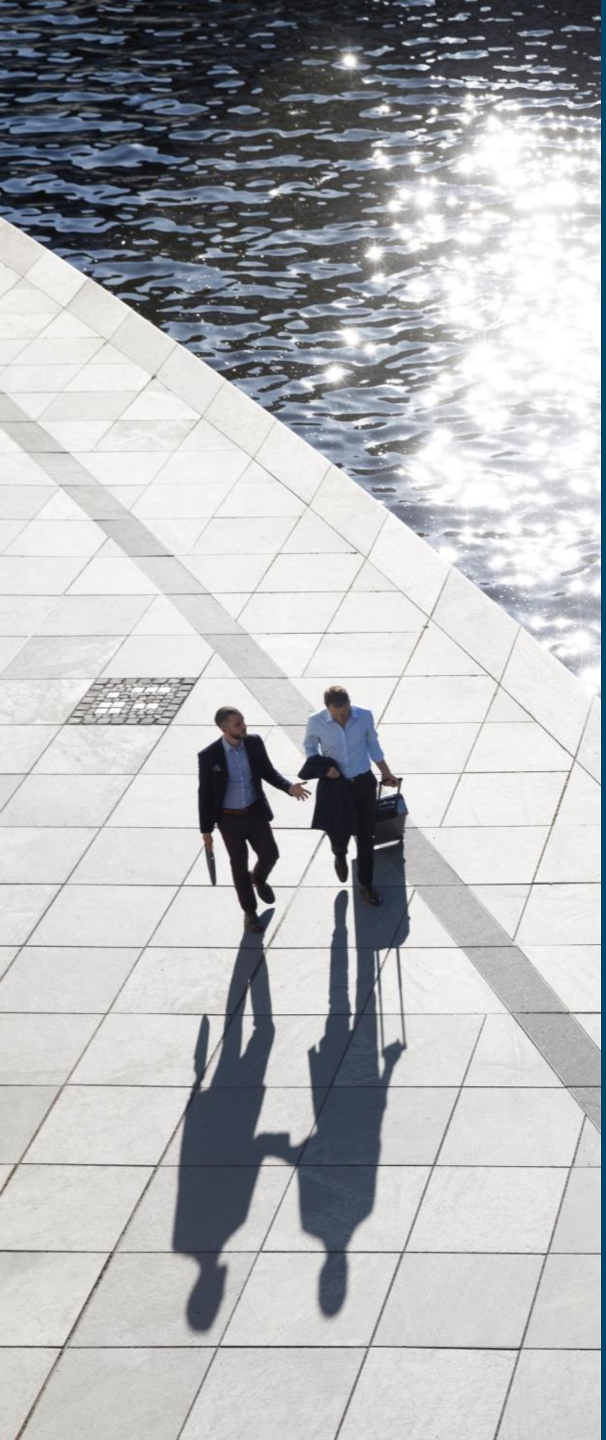

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