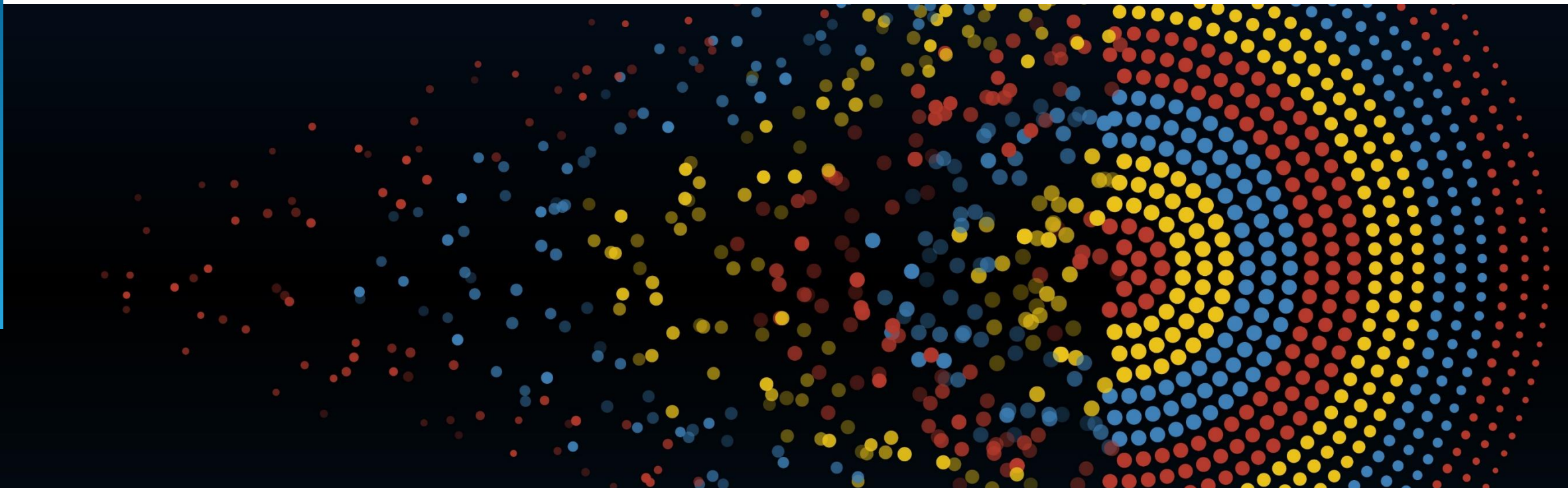


The Dichotomy in the D&A Market: Finding the Balance Between Value Realization and Experimentation

October 2023: Complimentary Abstract / Table of Contents



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Introduction

Enterprises are struggling to strike the right balance between value realization and experimentation through their D&A investments. While return on investments (RoI) and direct business outcomes from D&A initiatives are becoming key priorities for enterprises, emerging technologies such as generative AI are pushing enterprises to experiment and build a solid data foundation to enable these technologies. Current market themes in the market such as data modernization, data observability, and D&A and sustainability are being driven in conjunction with these two forces. As a result, enterprises are looking to rationalize their D&A spend, evaluate key metrics to measure RoI of their D&A investments, build a strong data foundation, and experiment with generative AI to improve D&A processes.

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 and enterprises, and an ongoing analysis of the D&A services market.

This report includes:

- D&A services adoption
- The dichotomy in the D&A market
- Key implications

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 D&A services adoption across different industries, geographies, and buyers, key D&A demand themes, dichotomy in the D&A market, and key implications for service providers and enterprises.

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

D&A services adoption

- In 2022, D&A remained one of the top three technology priorities for enterprises
- From a geographic lens, North America saw a slowdown while Europe stayed surprisingly resilient and from an industry-specific lens, BFSI and TMT industries saw a slowdown while energy, retail, CPG, and HLS experienced higher growth
- Large enterprises are leading the market and focusing on transitioning from transformation to value-oriented initiatives
- Cloud data modernization, data observability, and data-driven sustainability are some of the key demand themes in the D&A services market

The Dichotomy in the D&A Market

- Enterprises are experiencing two opposing forces in the D&A market – the need to realize value from their data in the face of recessionary pressures, and the increasing interest in Generative AI experimentation to drive competitive advantage
- Business unit and functional leaders are playing an increasingly important role in driving value from D&A initiatives
- Force 1 covers five key pillars that can help enterprises define value from D&A initiatives while Force 2 talks about how Generative AI is gaining traction and how it is pushing enterprises to rethink their investments in data

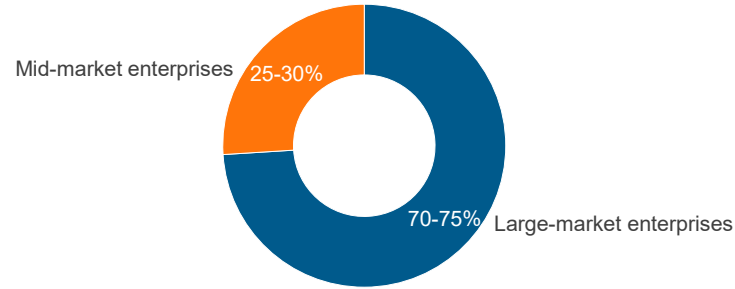
Key implications

- Enterprises need to be able to demonstrate the value of their investments, drive data modernization initiatives, and gain better data visibility across processes to drive value from data
- Enterprises need to build a strong data foundation and understand data safety risks to effectively adopt generative AI

This study offers three 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

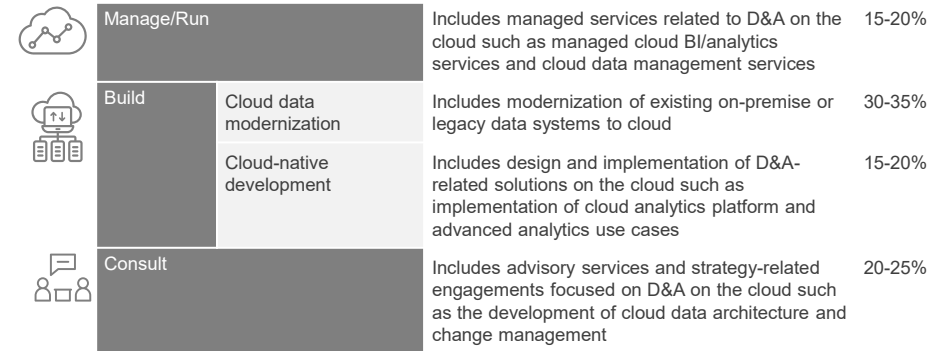
D&A services adoption by buyer size

D&A services adoption by buyer size
US\$ billion; 2022



Cloud D&A services market by engagement type

Global cloud D&A services market split by engagement type
100% = US\$70-75 billion; 2022



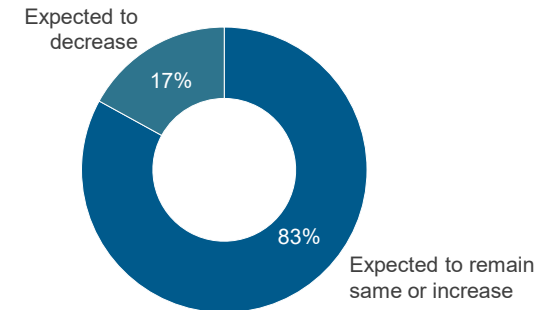
D&A deal split by key client stakeholders

Global D&A deal split by key client stakeholders
Percentage of deals

	Chief Information Officer (CIO)/Chief Technology Officer (CTO)	Chief Data Officer (CDO)/ Chief Analytics Officer (CAO)	Business Units (BU) Heads and functional leaders ²	CEO
CY 2022	30-35%	25-30%	30-35%	5-10%
CY 2020	45-50%	15-20%	25-30%	0-5%

Expected change in enterprise investments in D&A services

Expected change in investments in D&A services in the future
Percentage of enterprises, 2023



Research calendar

Data and Analytics

■ Published
 ■ Planned
 ■ Current release

Reports title	Release date
Machine Learning Operations (MLOps) – Technology Provider Landscape with Products PEAK Matrix® Assessment 2022	September 2022
Reimagining Data Sourcing and Consumption to Maximize Business Value	October 2022
Data and Analytics (D&A) Provider Compendium 2023	November 2022
The Era of Multi-cloud and Associated Data Challenges	November 2022
The War for Talent in Data, Analytics, and AI (DAAI): Finding the Ideal Operating Model for Organizations	November 2022
The Success Formula In A Maturing BFS D&A Market – A Guide To How BFS Firms Are Building Data-driven Intelligent Operations	May 2023
Data and Analytics (D&A) Services PEAK Matrix® Assessment 2023	September 2023
Data Observability: Unleashing the true potential of data	September 2023
The Dichotomy in the D&A Market: Finding the Balance Between Value Realization and Experimentation	October 2023
Data and Analytics (D&A) Service Provider Compendium 2023	Q4 2023
Modern Data Platforms (MDPs) – Fueling the Next Phase of Digital Transformation	Q4 2023
Data & Analytics (D&A) Services for Mid-Market Enterprises PEAK® Matrix Assessment 2023	Q4 2023
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