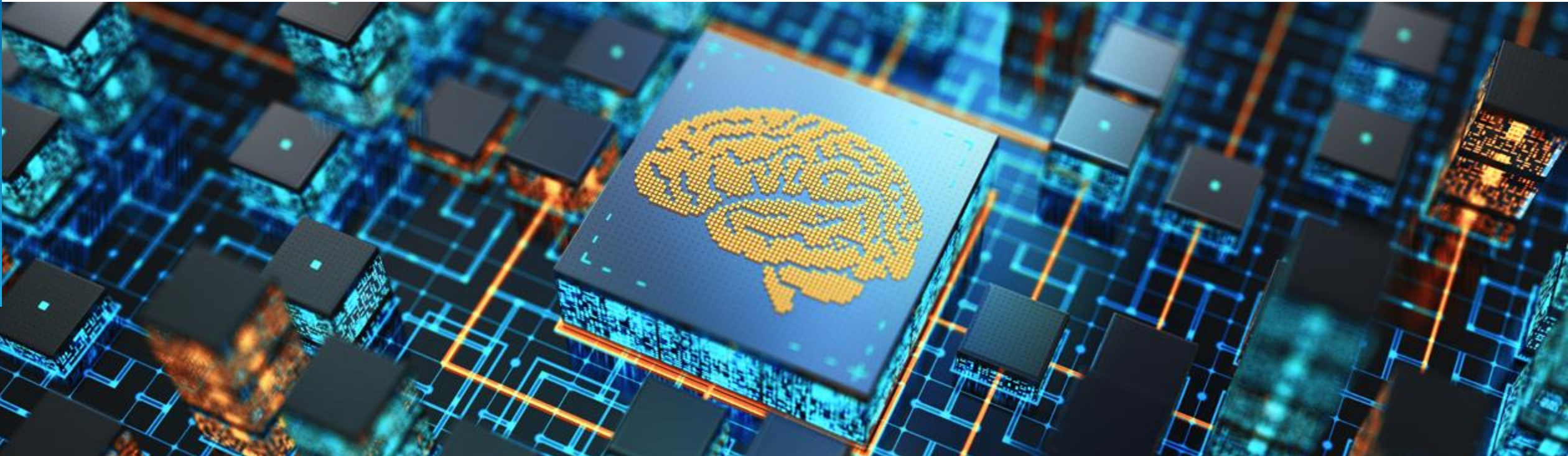


# Data Annotation and Labelling (DAL) Solutions for AI/ML PEAK Matrix® Assessment 2024

February 2024: Complimentary Abstract / Table of Contents



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- ▶ Payer and Provider Information Technology
- ▶ Price Genius – AMS Solution and Pricing Tool
- ▶ Pricing Analytics as-a-Service
- ▶ Process Intelligence
- ▶ Process Orchestration
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## Background and scope of the research

Focus on digital transformation post-pandemic and the rise of generative AI is forcing enterprises to scale their AI initiatives. One of the critical parameters for ensuring the success of any AI initiative is access to high-quality curated data to train AI/ML models. Getting access to necessary data and then performing annotation and labelling is a time and cost-consuming activity and is often mired with challenges and issues.

The Data Annotation and Labelling (DAL) Solutions for AI/ML PEAK Matrix® will evaluate service providers that have built data annotation and labelling capabilities through investments in talent (full-time as well as crowdsourced), products and platforms, partnerships, industry expertise, and AI-based annotation and labelling solutions

In this report, we identify service providers who can help enterprises with this crucial activity for AI enablement and have specialized data annotation and labelling capabilities developed through a unique and consistent service delivery blueprint. We focus on service providers that:

- Primarily provide services as per the defined value chain of data annotation and labelling rather than only software products
- Offer data annotation and labelling as a standalone service with a dedicated GTM around it (rather than offering it as an ad-hoc / bundled service)

This report includes the profiles of the following 19 leading DAL service providers featured on the **Data Annotation and labelling (DAL) Solutions for AI/ML PEAK Matrix®**:

- **Leaders:** Akkodis, Appen, Centific, TaskUs, TELUS International
- **Major Contenders:** Clickworker, Cloudfactory, CogitoTech, FiveS Digital, iMerit, Innodata, Nextwealth, Sama<sup>1</sup>, Straive, LXT
- **Aspirants:** Desicrew, Digital Divide Data (DDD), Impact Enterprises, Innominds

### Scope of this report



**Geography**  
Global



**Providers**  
19 DAL service providers



**Services**  
DAL services

## Overview and abbreviated summary of key messages

This report examines the global DAL services market and evaluates the positioning of service providers on the Everest Group PEAK Matrix®. It offers insights into changing market dynamics, service provider delivery capabilities, and Everest Group's remarks on service provider's key strengths and limitations.

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

### DAL services market overview

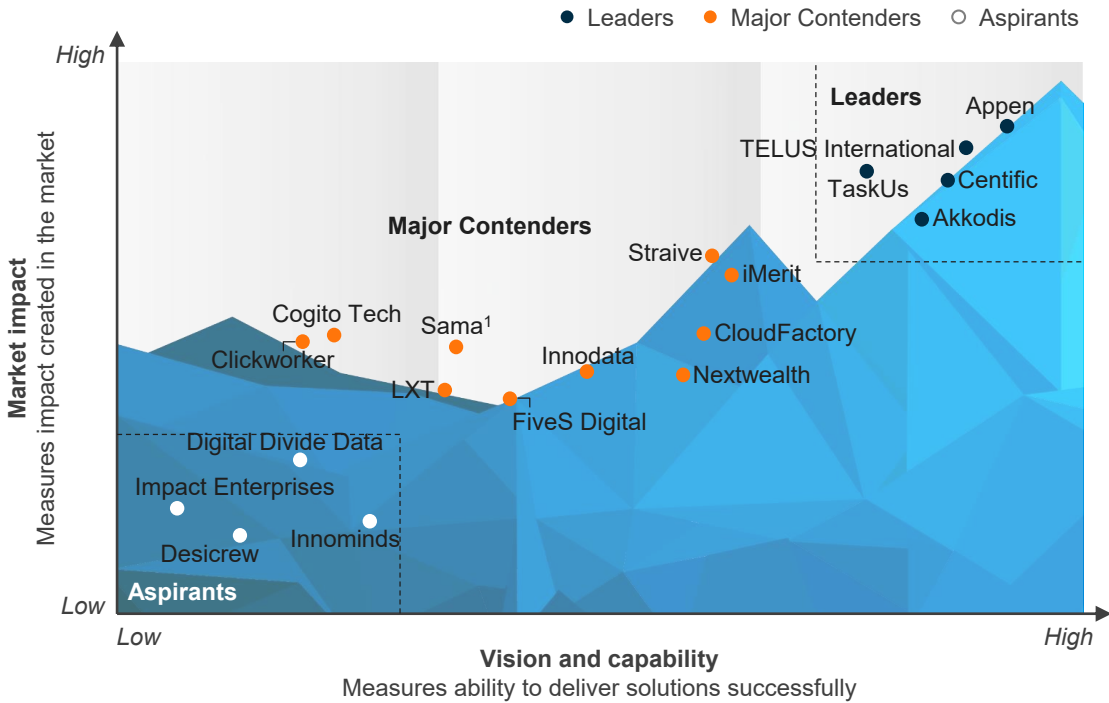
- Based on the extent of capability development and service providers' sweet spots within the integrated approach, we see five segments of DAL service providers (further examined in the full report)
- DAL play a crucial role in training AI/ML models and improving their accuracy
- DAL services requires two essential components - workforce and platform
- The DAL market has experienced a significant shift from basic annotation tasks towards high-value use cases, requiring specialized expertise with the rise of Generative AI/LLM models

### Service provider characteristics

- Akkodis, Appen, Centific, TaskUs, and TELUS International are the current leaders in the global DAL services market, with several other service providers emerging as major contenders and aspirants
- Leaders are at the forefront of innovation and driving change with organic and inorganic investments, thought leadership, and partnerships. They have also invested in building structured internal talent development programs to ensure the availability of skilled talent
- Major contenders have shown strong capabilities across the DAL value chain. They also have the vision to develop end-to-end DAL services play and are investing in talent development programs, acquisitions, IP building, and a partnership ecosystem to enable the same
- Aspirants are focused on developing expertise in their preferred annotation use cases / modalities with most investments directed toward workforce management and learning and development (L&D), among others. The differentiate themselves with cost-effective solutions by focusing on low-cost locations

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

Data Annotation and Labelling (DAL) Solutions for AI/ML PEAK Matrix® Assessment 2024



1 Assessments for Innodata, Sama<sup>1</sup>, Impact enterprises, Digital Divide Data excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with buyers. For these companies, Everest group's data for assessment may be less complete

Source: Everest Group (2024)

Capability assessment

Illustrative example

Measure of capability: ○ Low ● High

Providers	Market impact				Vision and capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Talent and 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 and capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Talent and delivery footprint	Overall
○	○	○	○	○	○	○	○	○

**Strengths**

- Provider 1 has a strong focus on LLM / generative AI training services. It supports multiple use cases including prompt engineering, hallucination mitigation, and adversarial testing, among others
- Provider 1 has invested heavily in its R&D, with academic partnerships in place to develop CoEs, improve internal model accuracy, and accelerate automated pre-annotation

**Limitations**

- Provider 1 has limited experience in catering to audio and geospatial annotation use cases. Enterprises should carefully evaluate when considering engagement for such projects
- Some referenced clients perceive that provider 1 has high pricing and it could be more cost-competitive. Enterprises seeking cost-efficient engagements need to evaluate its pricing constructs carefully

# Research calendar

## Artificial Intelligence (AI)

Published Planned Current release

Reports title	Release date
Generative AI – Revolutionizing the Creative Design and Development Process	April 2023
Artificial Intelligence (AI) in the Pharmaceutical Industry	May 2023
High-quality Curated Data: Scaling Up AI Using a Data-centric Approach	July 2023
Unleashing the Potential of Gen AI (GAI): A Game-changer for Property and Casualty (P&C) Insurance Claims	August 2023
Generative AI: the Next Chapter of Artificial Intelligence	September 2023
Webinar Deck: Untangling the Risks of Generative AI: Solutions to Your Safety Concerns	October 2023
AI Top 50	November 2023
Innovate or Stagnate: the Generative AI Imperative	November 2023
Artificial Intelligence (AI) Services PEAK Matrix® Assessment 2023	December 2023
<b>Data Annotation and Labelling (DAL) Solutions for AI/ML PEAK Matrix® Assessment 2024</b>	<b>February 2024</b>
Artificial Intelligence (AI) Services – Provider Compendium 2024	Q1 2024
Role of Synthetic Data in Scaling AI	Q1 2024
Analytics and AI Services Specialists PEAK Matrix® Assessment 2024	Q1 2024
Artificial Intelligence (AI) Services PEAK Matrix® Assessment 2024	Q3 2024
Enterprise Artificial Intelligence Platform Technology Provider PEAK Matrix® Assessment 2024	Q4 2024

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