



Forces & Foresight Q2 2024

August 2024: Complimentary Abstract / Table of Contents

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- ▶ Payer and Provider Information Technology
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- ▶ Pricing Analytics as a Service
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- ▶ Procurement and Supply Chain
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Introduction

The dynamic nature of IT-BP services industry presents both opportunities and challenges for service providers, demanding an in-depth understanding of emerging trends, evolving forces, and shifting competitive landscapes. Forces and Foresight™, a comprehensive report, is designed to empower IT-BP service providers with the critical intelligence needed to navigate this dynamic environment.

This report addressed five key questions that strategic stakeholders struggle to find answers to:

- Where do I stand compared to my close competition in terms of growth and margin?
- Where is industry growth headed in the foreseeable future? Why?
- Which segments provide opportunities to grow faster than the industry? Why?

- How am I doing in these segments compared to my competition?
- Am I dealing with the same forces that are impacting my competitors' margins?

Forces & Foresight provides in-depth financial forecasts for the services industry, examining ongoing evolution, growth drivers and obstacles, and margin insights. Unlike high-level industry overviews, we offer original quantitative predictions across segments to support strategic planning. Our research takes a balanced, objective view of industry trends, incorporating both positives and negatives. We go beyond enthusiastic evangelism to provide critical analysis and thorough insights. Our goal is to arm leaders with intelligence, not persuasion.

Scope of this report

Geography: Global – North America, Europe, Asia Pacific, Rest of the world

Industry: Operating industry verticals of IT-BP service providers – BFSI, Healthcare & life sciences, Technology, media, and telecom, Manufacturing, distribution, and retail, Public sector, and Energy, resources, and utilities

Services: IT-BP services

Overview and abbreviated summary of key messages

This report examines forces shaping the services industry, its 10 key segments – verticals and geographies, and profitability. Based on the relative strength of opposing forces, we provide imperative foresight in form of forecasts (quantitative) and narratives (qualitative).

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

Read of the market

- The IT services industry growth shows signs of bottoming out
- Service provider conversations reveal rising confidence in ramping up booked deals
- Pockets of growth – cybersecurity and data & analytics – cybersecurity specialists show impressive growth (exceeding Street estimates)

Growth recovery will happen, but industry forces will make it “unexciting”

- The IT services industry will see a change in the growth direction within the next two quarters
- Without a major event, this change will be modest and gradual, unlike previous recoveries. What makes this recovery unexciting is the balancing nature of forces supporting and impeding industry growth

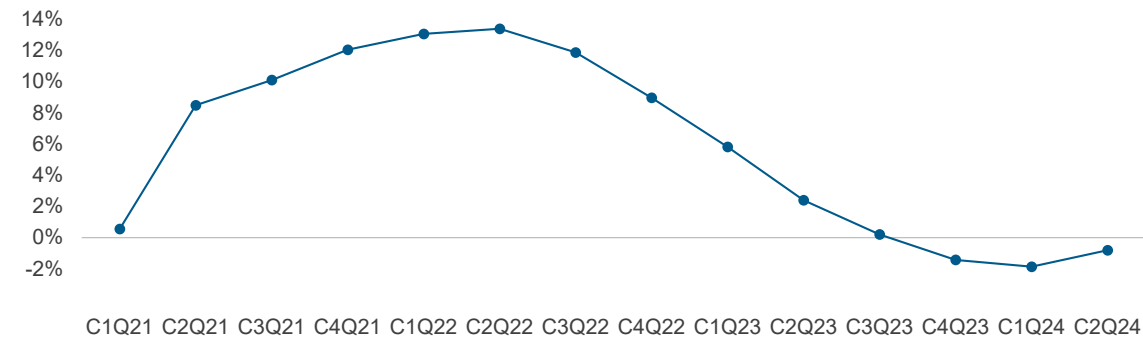
Does this lack of excitement extend to opportunities for service providers?

- Despite labeling industry growth as “unexciting,” it’s crucial for service providers to create a differentiated positioning from this downturn
- Historically, recoveries from downturns create new leaders and laggards, but this time, industry forces will be less kind due to significant exposure of service providers to certain industry segments
- This implies service providers would have to put focus on high-growth potential areas of services and a proactive playbook will be instrumental in strengthening their competitive edge

This study offers four distinct chapters providing a deep dive into key aspects of IT-BP services industry; below are four charts to illustrate the depth of the report

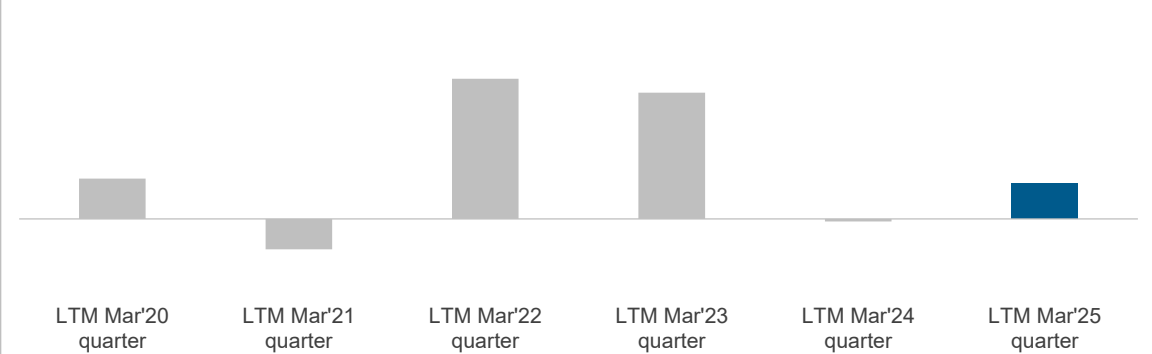
The IT-BP services industry's growth has bottomed out

IT-BP services industry growth

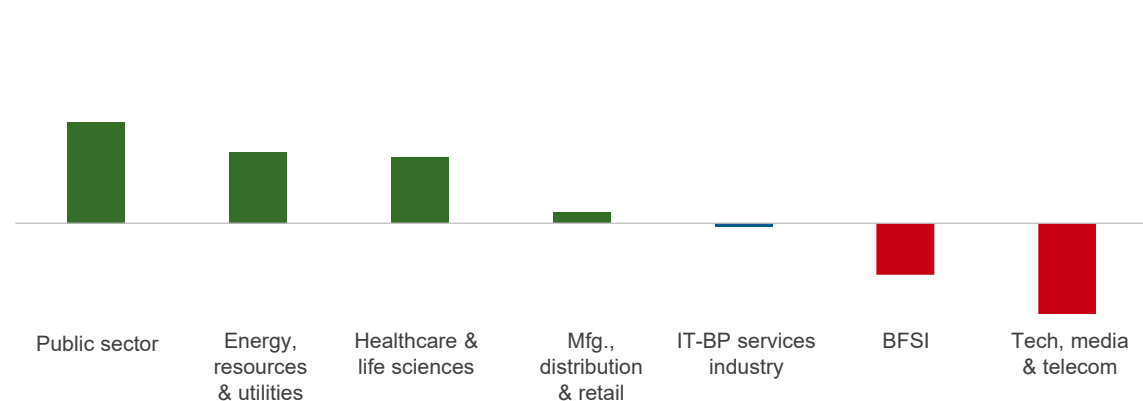


Our forecast implies a turnaround in industry growth in next 12 months

IT-BP services industry growth history and forecasts

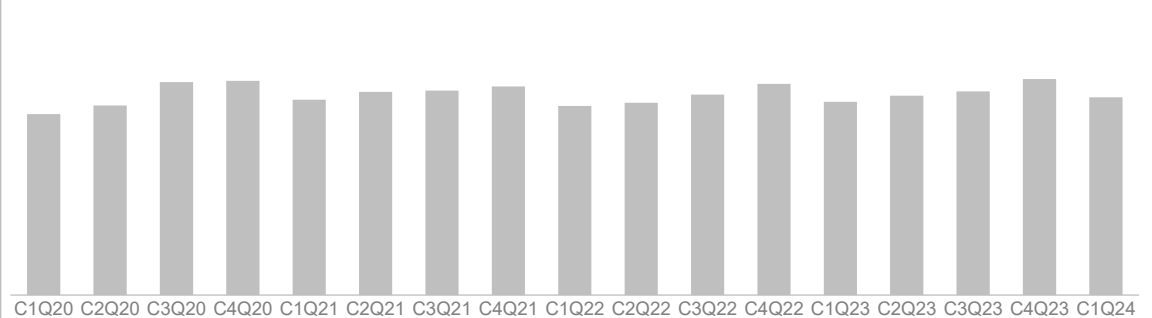


Vertical growth in 12 months ending March 2024 quarter



Services industry margin has improved in a normalized talent market

Services industry – operating margin



Research calendar

Forces & Foresight

Published **Current release** Planned

Reports title	Release date
Forces & Foresight Q1 2024	March 2024
Forces & Foresight Q2 2024	August 2024
Forces & Foresight Q3 2024	Q3 2024
Forces & Foresight Q4 2024	Q4 2024

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