

Everest Group PEAK Matrix[®] for Next-generation Application Management Service Providers 2021

Focus on Capgemini
December 2020



Background of the research

Application management as a practice area has evolved over the years with changing technologies and enterprise priorities. As with other segments within application services, the focus of application management has been improving productivity and reducing costs while ensuring applications are up and running. Next-generation application management is the evolution of the traditional AMS. More mature models of service delivery, newer financial constructs, and evolved governance models apart from the use of more advanced technologies are some of the differentiating factors of next-generation AMS vis-à-vis traditional AMS. Enterprises are increasingly demanding next-generation AMS from their service providers in order to cut the run spend and divert it toward modernization and creation of new assets.

This report examines the dynamics of the global next-generation application management service provider landscape. We present an assessment of 24 service providers featured on the next-generation application management services PEAK Matrix®.

This report includes the profiles of the following 24 leading next-generation AMS service providers featured on the next-generation application management services PEAK Matrix®:

- **Leaders:** Accenture, Capgemini, Cognizant, HCL Technologies, IBM, Infosys, TCS, and Wipro
- **Major Contenders:** Aspire Systems, DXC Technology, LTI, Mphasis, Mindtree, NTT DATA, Softtek, Stefanini, Tech Mahindra, Unisys, UST Global, and Zensar
- **Aspirants:** Datamatics, GAVS, Jade Global, and Yash Technologies

Scope of this report:



Geography
Global



Service providers
24 leading next-generation application management service providers



Services
Next-generation application management service providers

Next-generation application management services PEAK Matrix® characteristics

Leaders:

Accenture, Capgemini, Cognizant, HCL Technologies, IBM, Infosys, TCS, and Wipro

- Leaders have exhibited strong client orientation and have helped their clients in the management of complex business-critical applications using next-generation application management principles to achieve faster time-to-value, enhanced user experience, reduce the run spend, and drive innovation
- They have made significant investments in building IPs and partnerships to accelerate the application development process and deliver custom solutions to clients
- While Leaders are delivering enhanced business value, they can further fine-tune certain aspects of their application service delivery such as price and solution flexibility

Major Contenders:

Aspire Systems, DXC Technology, LTI, Mphasis, Mindtree, NTT DATA, Softtek, Stefanini, Tech Mahindra, Unisys, UST Global, and Zensar

- Major Contenders have exhibited a high degree of responsiveness to client requirements and have supported clients in building strategy and prospective business cases
- They have been able to develop sophisticated applications and are extensively leveraging partnership network to fill capability gaps
- Major Contenders need to develop proof points to demonstrate capabilities to lead large-scale transformation of complex and critical applications leveraging principles of next-generation application management

Aspirants:

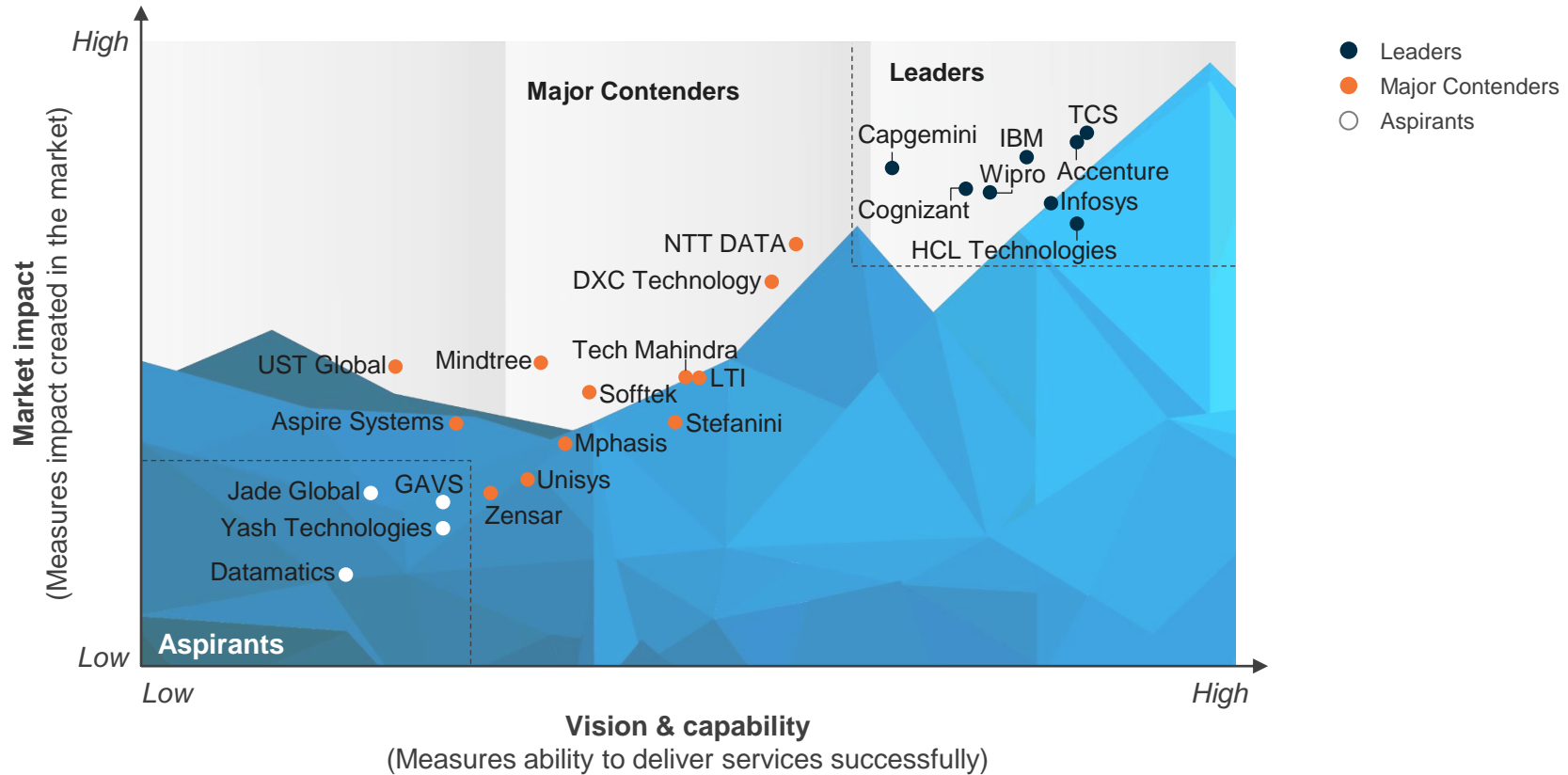
Datamatics, GAVS, Jade Global, and Yash Technologies

- Aspirants are either focused on a region(s) or vertical(s), or currently have relatively smaller next-generation AMS practice
- While they are limited by scale to cater to the requirements of large global players, they have been collaborating with clients and other service providers to drive innovation and value through their niche capabilities
- Aspirants need to invest in developing IPs and partnerships to enhance their service offering

Everest Group PEAK Matrix®

Next-generation Application Management Services PEAK Matrix® Assessment 2021 | Capgemini positioned as Leader

Everest Group Next-generation Application Management Services PEAK Matrix® Assessment 2021



Note: PEAK Matrix® specific to next-generation application management services
 Source: Inputs from market players, recruitment firms, and investment agencies

Capgemini | Next-generation application management services (page 1 of 3)

Overview

Overview of services:

Capgemini’s AMS organization is diversified to address end-to-end services for clients including business processes, applications, infrastructure, and operations. Capgemini’s AMS business is structured to enable clients’ business growth in the new digital age. This is driven through integrating the CoE framework encapsulated within the AMS service line and supported at the leadership, strategic, and operational levels, to: a) Develop offer and GTM assets, b) Ensure business development by owning the AMS pre-sales and solutioning, c) Manage operations and solution assurance, d) Manage the transition and e) Evangelize the ADMnext offer and developed assets.

Vision:

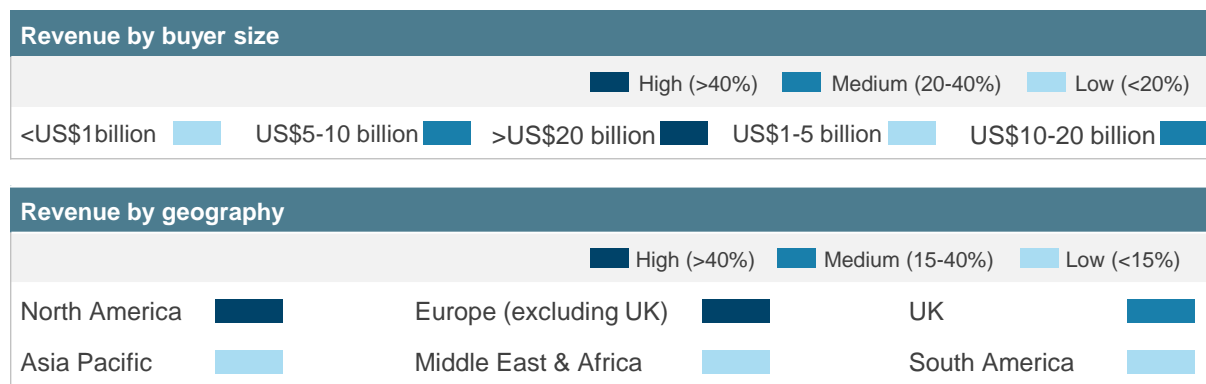
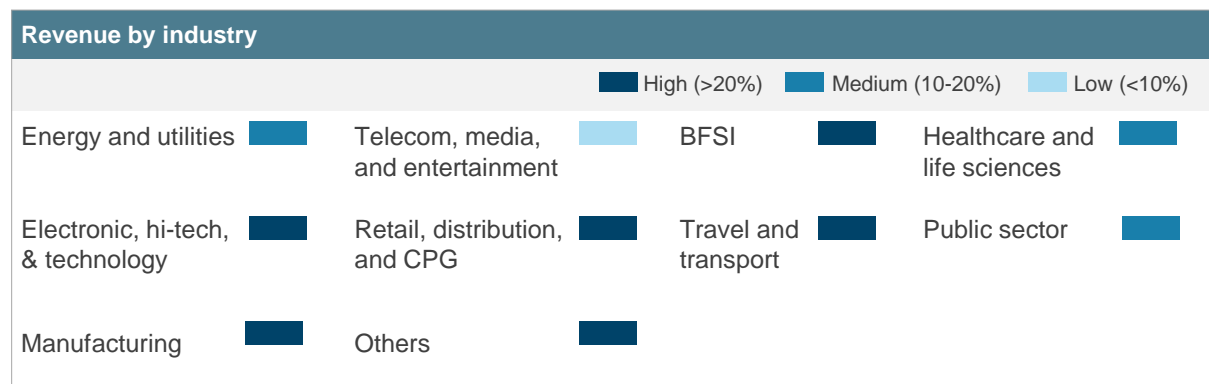
Capgemini believes in transforming applications management from a passive IT role to an active enabler of business growth in the digital age through ADMnext, which is a business-aligned, insightful portfolio of application development and maintenance services for the digital age. It provides a narrative across its comprehensive portfolio of assets and services, covering the full stack of IT, infrastructure, and operations aimed at delivering uninterrupted business excellence.

Strengths

- Capgemini has brought its broad-based capabilities under an integrated ADMnext offering to drive better solutions and consistency in delivery for clients
- It is willing to deploy innovative commercial models for next-generation AMS such as per-app pricing and story point pricing
- Capgemini has invested in hyperautomation through its Capgemini Intelligent Automation Platform (CIAP) and has leveraged it across multiple engagements to demonstrate productivity gains
- It has a strong L&D program for AMS with its Capgemini University initiative; in addition, Capgemini Research Institute pushes client’s thinking to transform their AMS landscape

Areas of improvement

- Capgemini should further enhance domain-specific trainings for AMS resources to add to their knowledge of clients’ industry and business
- Though Capgemini has become commercially competitive in AMS, it is still occasionally perceived as expensive and may need to demonstrate more commercial flexibility
- On occasions, Capgemini’s resources get over-focused on task-oriented execution rather than strategic ownership of AMS programs; they need to have a good balance
- Despite investing in AMS talent, Capgemini sometimes struggles to get the needed resource with the right skill at the right time for a client engagement



Capgemini | Next-generation application management services (page 2 of 3)

Case studies and solutions

Case study 1	Improving the client’s digital presence
<p>Client: One of the world’s largest furniture retailers</p> <p>Business challenge The client faced continuous challenge with its digital presence and needed improvement in the company’s digital capabilities, online presence, and in-store customer experience. It required a partner that could provide end-to-end services, help them at every stage of their digital transformation journey, and also help them urgently to implement an SKU onboarding process that was faster and error-free.</p> <p>Solution Capgemini focused on converting legacy platforms into API and micro-services-based platforms, while moving other platforms to the cloud. ADMnext was leveraged to carry out data optimization, followed by refactoring to improve the stability of IT services.</p> <p>Impact The client was able to achieve seamless customer journeys for 2.35 billion visitors and smooth transaction of more than 78,000 orders per day, 90% reduction in SKU onboarding time, 98% improvement in product buy-ability through implementing a critical product information, and 30-40% reduction in order cancellations.</p>	

Case study 2	Enhancing business operations using an engagement model
<p>Client: Enhancing business operations using an engagement model</p> <p>Business challenge The client needed a standard operating model to help customers control costs while accelerating their speed-to-market with a repeatable implementation process. It needed to align and adopt the right approach and methodology throughout PLC and address business requirements with high flexibility and predictability.</p> <p>Solution Capgemini built an engagement model (with collaboration across functional teams) that provided flexibility and increased delivery predictability. It transformed ADM processes by jointly focusing on employee engagement and proven delivery track record.</p> <p>Impact Capgemini committed to a well-defined set of agreed KPIs and contractually defined fees at risk of 15% of agreed SLAs. This was driven by YOY productivity improvements, optimized pyramids, and offshore leverage, which resulted in higher customer satisfaction.</p>	

Next-generation application management services proprietary solutions (representative list)

Proprietary solutions	Details
Resilient ADM services using Digital Transition Platform (DTP)	Resilient ADM services is a round-the-clock digitally enabled global delivery model to jumpstart and safeguard interests of its clients and their customers during a crisis such as COVID-19. It has successfully implemented Digital Transition Platform (DTP) to manage remote transitions, where co-location is not possible
Data-driven Business Insightful Solutions (BIS) underpinned by Business Command Center (BCC)	Business Insightful Solutions (BIS) help in delivering data-driven, business insightful services by using smart analytics tools, AI solutions, BPF, KPI library, and process mining. This is supported by Business Command Center (BCC), which safeguards business services and interests in core business areas with the help of the right tools and approaches to secure data, interfaces, and smart AM KPIs backing business performance
Capgemini Intelligent Automation Platform (CIAP) driven by Automation Drive	A unified, enterprise-wide platform solution that provides integrated, end-to-end intelligent automation across the client’s IT estate. It serves as a built-in intelligent automation engine based on Automation Drive framework. Automation Drive offers end-to-end automation across IT and business services, application management services, and digital operations.

Capgemini | Next-generation application management services (page 3 of 3)

Partnerships and investments

NOT EXHAUSTIVE

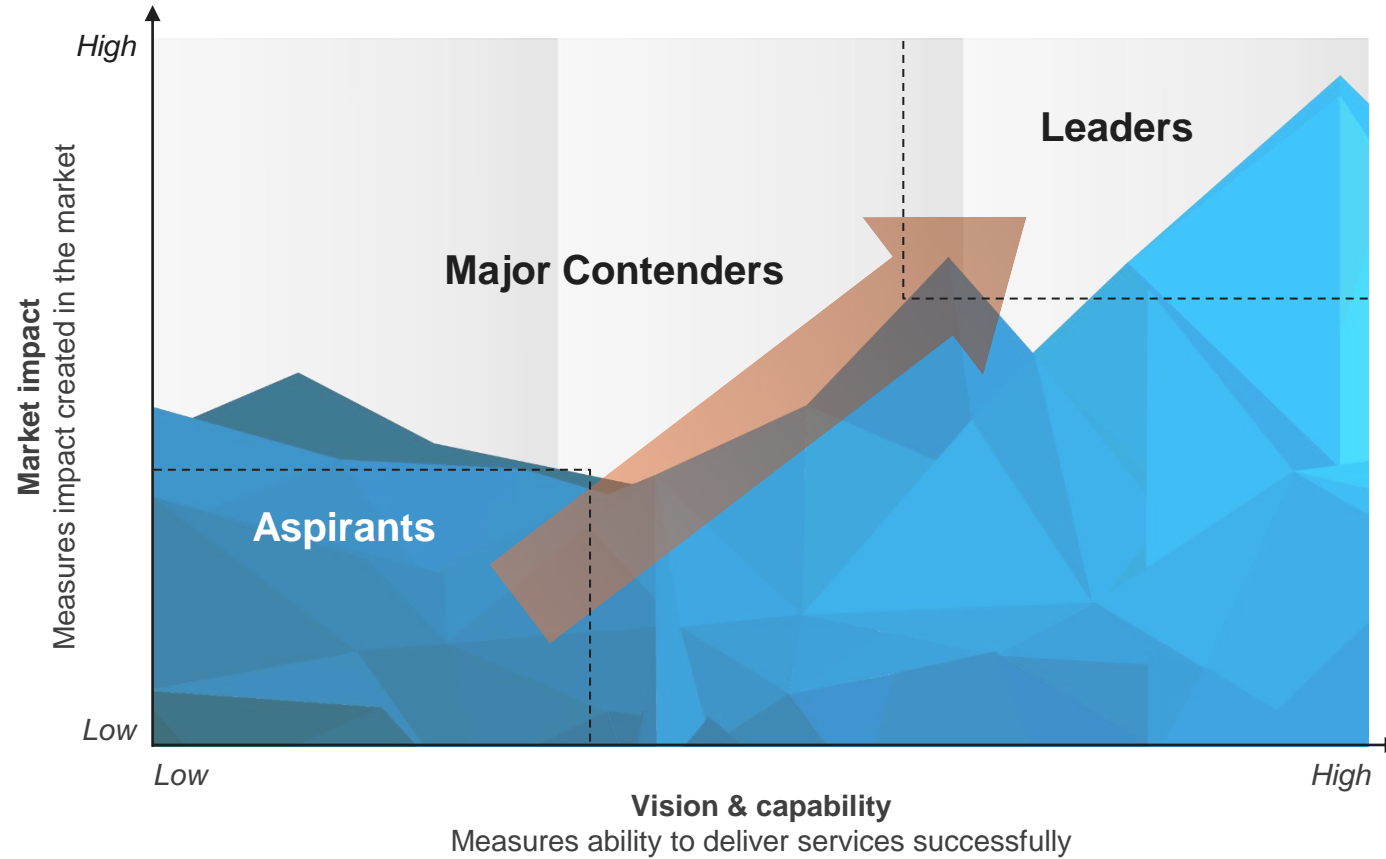
Next-generation application management services investments (representative list)	
Partnership	Details
Amazon Web Services (AWS), Google cloud, and Oracle	The partnerships help clients embrace the “as-a-service” economy and enables Capgemini to offer an all-in-one package of cloud hosting, industry-specific solutions, ongoing management, and continual improvement
SAP	Capgemini has 20,000 SAP practitioners and extensive experience to serve 1,300 clients around the world. With more than 5,000+ certified resources, it ranks number one in SAP S/4HANA® certifications in Europe and number one in SAP certifications overall
Microsoft	Partnered to help clients maximize Microsoft enterprise, productivity, and data technologies to attain their business goals
Salesforce	Capgemini partners with Salesforce to help clients get the business results that Salesforce solutions can drive
Acquisition	Details
Altran	In 2020, acquired Altran, a leading product engineering and operational technology services provider with extensive experience in engineering and digital transformations. The acquisition reinforces Capgemini's position in the market segment for industrial and technology companies
LiquidHub	Acquired to help Capgemini reinforce its digital consulting capabilities and accelerate its portfolio shift as design thinkers, user-experience designers, digital architects, and analytics specialists to create experiences that help to attract, acquire, and retain clients
Leidos Cyber	Acquired to strengthen its expertise and portfolio of services in security to help companies integrate cybersecurity into growth initiatives and digital transformation efforts
Talent	Details
Capgemini university	Offers business- and job-related courses, degrees, and masters programs at multiple levels (junior, senior, and management). It also extends the programs to its clients to build solutions to their business problems.
NEXT — Capgemini's digital learning platform	NEXT, in partnership with Pluralsight, Coursera, and Harvard, trains and upskills the staff on the latest technologies and skills. The company is investing in training the 270 thousand workforce on topics such as SAFe, DevOps, AI/ML, edge computing, 5G, and IoT using NEXT platform, and SkillPath to make them future-ready
Recent activity	Details
Agile Development Centers (ADCs)	Capgemini has built a network of Agile development centers globally. Its US centers at Columbus and Chicago provide Agile delivery for leading US clients

Source: Everest Group (2020)

Appendix

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability

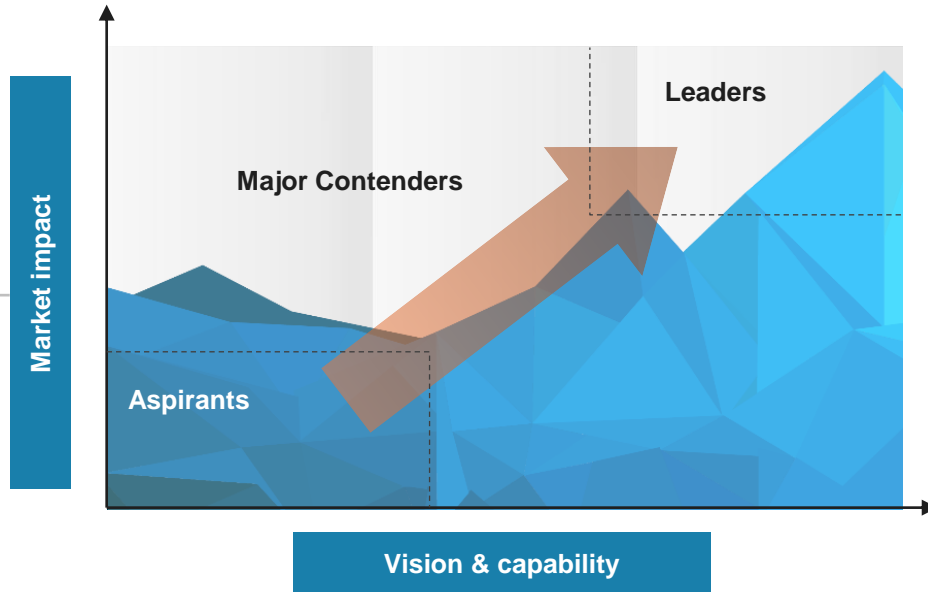
Everest Group PEAK Matrix



Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

- Market adoption**
Number of clients, revenue base, YOY growth, and deal value/volume
- Portfolio mix**
Diversity of client/revenue base across geographies and type of engagements
- Value delivered**
Value delivered to the client based on customer feedback and transformational impact



Measures ability to deliver services successfully. This is captured through four subdimensions

- Vision and strategy**
Vision for the client and itself; future roadmap and strategy
- Scope of services offered**
Depth and breadth of services portfolio across service subsegments/processes
- Innovation and investments**
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.
- Delivery footprint**
Delivery footprint and global sourcing mix

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a “Major Contender” or “Aspirant” on the PEAK Matrix, an unfavorable outcome?

No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the “PEAK Matrix position”?

A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a “Leader”, “Major Contender,” or “Aspirant” title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own “profile” that is published by Everest Group as part of the “compendium of PEAK Matrix providers” profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or “Star Performer” status ?

- Providers/vendors can use their PEAK Matrix positioning or “Star Performer” rating in multiple ways including:
 - Issue a press release declaring their positioning. See [citation policies](#)
 - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
 - Quotes from Everest Group analysts could be disseminated to the media
 - Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?

PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises



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