Everest Group PEAK Matrix® for Artificial Intelligence (AI) Service Provider 2022

Focus on Capgemini
March 2022
**Background of the research**

AI has reached a critical juncture and it now moving toward mass adoption and industrialization accelerated by the pandemic. We are seeing AI adoption at a much larger scale across different enterprise segments and industries, as enterprises look to bounce back from the pandemic more resilient and disruption-proof. As a result of this push, enterprises are employing AI as a lever in the broader digital transformation to improve cost-effectiveness, increase employee productivity, manage risks, and better target customers in the digital realm. We expect this wave of AI adoption to continue as more and more businesses look to AI to overcome challenges and sustain their business growth.

This deep percolation of AI across a wide array of enterprises will become the watershed moment known for the advancing and propagation of responsible AI. Enterprises have become more customer sensitive and conscious of their AI adoption practices and are looking to ensure inclusive, fair, and bias-free adoption of AI. Hence, the demand for explainable and responsible adoption of AI is becoming important not just across regulated industries but across a wider set of industries. This is being further accelerated by the plethora of government regulations that are already in place or are expected to come in soon that will impose heavy penalties on non-compliant entities.

As this wave of AI adoption continues to mount, enterprises will increasingly seek third-party support to help them plug in capability gaps, manage complexities, and mitigate challenges pertaining to data management, talent crunch, and responsible and compliant adoption of AI. Hence, the role of IT service providers will become extremely crucial to help enterprises adopt and scale AI in a responsible and sustainable fashion.

In this research, we present an assessment and detailed profiles of 20 IT service providers featured on the **Artificial Intelligence (AI) Services PEAK Matrix® Assessment 2022**. Each service provider profile provides a comprehensive picture of its service focus, key Intellectual Property (IP) / solutions, domain investments, and case studies. The assessment is based on Everest Group’s annual RFI process for 2021, interactions with leading IT services providers, client reference checks, and an ongoing analysis of the digital services market.

The full report includes the profiles of the following 20 leading AI service providers featured on the AI Services PEAK Matrix:

- **Leaders:** Accenture, Capgemini, Cognizant, HCL Technologies, TCS, and Wipro
- **Major Contenders:** Atos, DXC Technology, Genpact, IBM, Infosys, Mindtree, Mphasis, NTT DATA, Sopra Steria, Tech Mahindra, Virtusa, and Zensar
- **Aspirants:** Happiest Minds and Stefanini

**Scope of this report**

- **Geography:** Global
- **Service providers:** 20 leading AI service providers
- **Services:** Artificial Intelligence services
AI Services PEAK Matrix® characteristics

Leaders:

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

- Leaders are taking a holistic approach to AI by supporting responsible AI adoption that encompasses explainability, fairness, bias assessment, and regulatory compliances, among other parameters, by developing their own IP in terms of tools and frameworks to ensure responsible adoption of AI
- Leaders are leading the mandate for the confluence of sustainability and artificial intelligence. They are leveraging AI to activate sustainable operations within enterprises, and a few are also investing toward enabling “green AI”
- Leaders are taking a verticalized approach to the market by developing IP and offerings catering to a select group of high-growth industries for AI
- They are looking at broadening the AI horizon by working toward emerging concepts within AI such as federated learning, multi-party computing, and frugal AI
- Leaders have doubled down on partnerships to increase their market share for AI. This does not only mean strong partnerships with hyperscalers but with niche vendors in the market as well

Major Contenders:

Atos, DXC Technology, Genpact, IBM, Infosys, Mindtree, Mphasis, NTT DATA, Sopra Steria, Tech Mahindra, Virtusa, and Zensar

- Major Contenders have built meaningful capabilities to deliver AI services; however, their service portfolios are not as balanced and comprehensive as those of Leaders (either in terms of coverage across AI service segments, industries, geographies, or all)
- They are incorporating elements of explainability and bias assessment within their AI portfolios and offerings by leveraging partnerships and third-party solutions
- Major Contenders are also catching up to the train of verticalization and creating a niche for themselves by developing specialization across a chosen vertical and going deep within it
- They are investing in specific emerging concepts within AI, such as edge AI and frugal, with the application of active and transfer learning mechanisms. They need to amplify proof points showcasing their capabilities to help clients operationalize these emerging AI concepts

Aspirants:

Happiest Minds and Stefanini

- Aspirants have created a niche for themselves by developing specialization in one particular domain of AI such as conversational AI or computer vision and championing it
- Following the Leaders and the demand from the market, Aspirants have started making investments to include explainability in their portfolios
Everest Group PEAK Matrix®

Artificial Intelligence (AI) Services PEAK Matrix® Assessment 2022 | Capgemini positioned as Leader and Star Performer

Everest Group Artificial Intelligence (AI) Services PEAK Matrix® Assessment 2022¹,²

¹ Assessments for Atos includes partial inputs from the service provider and is based on Everest Group’s estimates that leverage its proprietary data assets and service provider public disclosures.

² Analysis for DXC Technology, IBM, Infosys, and Tech Mahindra excludes service provider inputs on this particular study and is based on Everest Group’s estimates that leverage its proprietary Transaction Intelligence (TI) database, ongoing coverage of the service provider, and public disclosures.

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any information that is contract-specific will be presented back to the industry only in an aggregated fashion.

Source: Everest Group (2022)
**Capgemini | AI services profile** (page 1 of 4)

**Everest Group assessment – Leader and Star Performer**

<table>
<thead>
<tr>
<th>Market impact</th>
<th>Vision &amp; capability</th>
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<tbody>
<tr>
<td>Market adoption</td>
<td>Portfolio mix</td>
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<tr>
<td>Low</td>
<td>Low</td>
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**Strengths**

- Capgemini has made credible investments to create industry contextualization in an effort to cater to industry-specific nuances. It has developed a suite of verticalized solutions capturing the major high-volume industries within AI.
- It has developed a comprehensive talent strategy aimed at talent engagement and upskilling/reskilling. Additionally, it is also embedding a culture of AI for good and sustainability across the talent base. Enterprise buyers have also appreciated Capgemini for the quality of AI talent it brings to engagements.
- Capgemini has developed a collaborative data ecosystem to help enterprises tackle the plethora of management challenges in terms of data availability, quality, and accountability. This becomes essential in the light of discontinuation of third-party cookies to help enterprises access a larger pool of data sources.
- Capgemini has made significant strides in innovation by taking the lead in operationalizing emerging concepts of AI, that include federated learning and multi-party computing, for its clients.

**Limitations**

- While Capgemini has developed frameworks for post hoc explainability, it needs to expand its offerings to capture the broader responsible AI domain. It has limited focus on offerings for regulatory assessment and compliance, which is critical for AI.
- Enterprise clients believe that Capgemini needs to limit the turnover and work to shorten project timelines. It also needs to improve management of short-term objectives.
- The company currently has limited presence in the Asia Pacific region and will benefit by realigning its resources and reworking its strategy to capture a larger share of the rapidly growing APAC market.
- Capgemini has scope to further enhance its capabilities to make AI more sustainable, carbon-neutral, and cost-effective for its clientele.
- It should forge deeper partnerships with hyperscalers by undertaking initiatives such as joint thought leadership, engaging in co-innovation, and joint go-to-market
Overview

Vision
Capgemini’s vision is to transform clients’ business with AI using end-to-end solutions to deliver value and services while securing data at rest and in transit, respecting privacy, and meeting ethical AI requirements. Its AI services include AI Activate and AI Reimagine, AI & data engineering and data estate modernization, AI analytics & data science, and intelligent process automation embedding AI.

Overall AI services revenue (2021)

<table>
<thead>
<tr>
<th>Revenue Range</th>
<th>Low (&lt;10%)</th>
<th>Medium (10-25%)</th>
<th>High (&gt;25%)</th>
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<tbody>
<tr>
<td>&lt;US$200 million</td>
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<tr>
<td>US$200-500 million</td>
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<tr>
<td>US$500 million- US$1 billion</td>
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<tr>
<td>&gt;US$1 billion</td>
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Adoption by geography

Adoption by industry

Adoption by buyer size

Low (<15%) Medium (15-25%) High (>25%)
Case studies

**Case study 1**  Data & AI-powered business transformation

**Client:** a leading American petrochemical company

**Business challenge**
The client was facing COVID-19-induced challenges such as a decline in business due to demand/supply swings combined with a lack of digital investments, leading to an erosion of competitive edge in the market. The client also wanted to ensure that all new plants were digital-first when they started operation.

**Solution**
- Enabled global-scale industrial transformation, business-led, and value-based approach harnessing the data available to build AI models that provide insights and perspectives to drive transformation
- Domain solutions enabled by automation, AI, and ML capabilities
- A digital and AI foundation from the cloud to the edge to enable analytical and industrial automation capabilities, e.g., dynamic in-plant process optimization with industrial AI, a digital workforce with guided repair and virtual operator rounds, customer intelligence, and supply chain control tower

**Impact**
- Delivered 50+ value cases on AI & analytics across business functions and services
- Around US$20 million in annual savings in the first year with 10 times the ROI
- About 25% reduction in plant labor

**Case study 2**  Created a best-in-class customer experience model

**Client:** a British luxury fashion house

**Business challenge**
The client was facing issues with stock optimization and needed a solution that would help solve the issue of buying accuracy. The client used to release 5,000 new products every three months and the supply chain had a six-month lead time. Each SME was given five days to forecast the sales of thousands of products.

**Solution**
- Enabled a harmonized forecasting model through an AI and analytics-based forecasting tool, driven by ML
- The solution was able to compare new and old products. It had an interactive interface that allowed the merchants to review all the data and similar products and then amend the forecast
- Capgemini’s solution is user-driven and prioritizes explainable forecasting, enabling the merchandisers to use their expertise to trust and refine model predictions

**Impact**
- Reduced procurement waste by 30% and identified previously unknown factors driving better quality
- About 24% improvement in new product forecasting
- £10 million+ improvement in stockholding (in £35 million buy)
### Offerings, partnerships, and investments

#### Partnerships (representative list)

<table>
<thead>
<tr>
<th>Partner name</th>
<th>Details</th>
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<tbody>
<tr>
<td>Nvidia</td>
<td>Partnership with NVIDIA’s Inception Program to bring together professionals in the financial services industry to discuss the impact of AI in financial services</td>
</tr>
<tr>
<td>Snowflake</td>
<td>Partnership with Snowflake to drive value in data operations, planning, and deployment of emerging technologies such as AI-driven analytics and MLOps</td>
</tr>
<tr>
<td>Stanford University</td>
<td>Capgemini is partnering with Stanford Digital Economy Lab (S-DEL) affiliates program to unlock new opportunities created by digitization. Capgemini will work on multiple research tracks including AI &amp; the future of work</td>
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#### Investments (representative list)

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<tr>
<th>Investment</th>
<th>Details</th>
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<tbody>
<tr>
<td>Capgemini AI &amp; data academy</td>
<td>Investment to offer progressive certifications for AI Cadet, AI Genie, AI Guru, and AI Captain, helping gain competencies for employees’ roles</td>
</tr>
<tr>
<td>AI &amp; Data 4Good</td>
<td>Investment to create a purpose-driven culture, harnessing the power of data and using #AI4Good multiplying initiatives such as the global data science challenge</td>
</tr>
<tr>
<td>Altran Technologies</td>
<td>Acquisition to strengthen leadership in the fast-growing engineering and R&amp;D market, while expanding digital transformation, cloud, IoT, AI, and 5G capabilities</td>
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#### Proprietary solutions (representative list)

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<thead>
<tr>
<th>Solution</th>
<th>Details</th>
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<tbody>
<tr>
<td>890 by Capgemini 2.0</td>
<td>An AI and analytics hotdesk, backed by a powerful ecosystem where clients can simply plug in and access a plethora of data, insights and outcomes</td>
</tr>
<tr>
<td>IDEA by Capgemini</td>
<td>A set of industrialized data &amp; AI engineering accelerators to improve time to value with data &amp; AI platforms and decrease costs. It delivers the information supply chain for the domain/sector, and proposes a unified, industrialized, cost efficient way to deliver data platforms</td>
</tr>
<tr>
<td>AI for cybersecurity</td>
<td>Leveraging advanced ML algorithms to enable cybersecurity teams to detect the early signs of attacks in real-time and make operations more efficient</td>
</tr>
<tr>
<td>AI Glass Box</td>
<td>A set of predefined tools, packages, and assets to validate each phase of the AI life cycle and produce feedback reports. This helps unbox black-box models and bring speed and maturity to the model management</td>
</tr>
</tbody>
</table>
Appendix
Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability
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

**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
Everest Group PEAK Matrix® for Artificial Intelligence (AI) Service Provider 2022

**Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®**

**Methodology**

Everest Group selects Star Performers based on the relative YOY improvement on the PEAK Matrix.

In order to assess advances on **market impact**, we evaluate each provider’s performance across a number of parameters including:

- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each provider’s performance across a number of parameters including:

- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the providers whose improvement ranks in the top quartile and award the Star Performer rating to those providers with:

- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

The Star Performers title relates to YOY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.
FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?
Everest Group’s PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging 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 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 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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