Multisourcing Service Integration 2023-2024 RadarView™

Enhancing multisourcing service strategy with effective governance

April 2024

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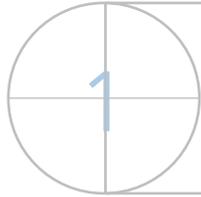
1 Implementing effective governance and risk mitigation strategies, complying with local regulations, and facilitating communication and collaboration among stakeholders are key priorities for MSI executives. Service providers are enhancing their integration capabilities by developing platforms to address key MSI use cases, improving partner collaborations, and strengthening their talent pool through digital and domain training.
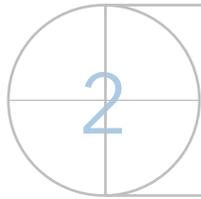
2 Avasant used a rigorous methodology to evaluate 32 providers across the key dimensions of practice maturity, partner ecosystem, and investments and innovation. Through our analysis, we recognized 21 providers that brought the most value to the market over the past 12 months.
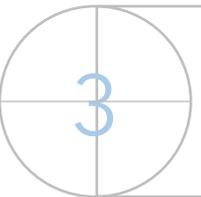
3 The *Multisourcing Service Integration 2023–2024 RadarView* aims to offer insights into the leading service providers for MSI services. Based on our methodology, these service providers are categorized into four broad segments: leaders, innovators, disruptors, and challengers.
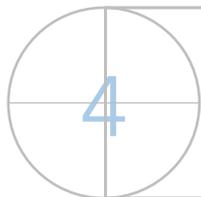
4 To enable decision-making for enterprises, Avasant has provided an overview of the major service providers in the MSI domain. This includes a list of their top enterprise clients, customer success stories, key IP assets/solutions and partnerships, and major industry verticals they serve. This is supported by an analyst's perspective on the provider across the key dimensions defined in the second point above.

Note: Please refer to Avasant's Multisourcing Service Integration *2023–2024 Market Insights* for demand-side trends.

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Defining multisourcing service integration

Multisourcing service integration (MSI)

MSI encompasses end-to-end integration, management, and governance of all services provided by multiple vendors to improve visibility and accountability and realize the full value of outsourced services. These services include cloud, security, network, end-user computing, application development, support and maintenance, and other managed services vital for companies to achieve their business outcomes and strategic objectives. Service integration and management (SIAM) serves the same purpose as MSI by enabling organizations to create a unified view through the integration and management of multiple suppliers.

Key dimensions of MSI

Strategy and consulting

Understanding the business requirements and associated risks, undertaking assessments, and creating an achievable MSI road map

Integration

Integration among organizations and people; value streams and processes; technology, tools and data; and service providers

Implementation and managed services

Designing prototypes, deployment, training, testing, and roll out. Supporting incident management and monitoring for performance and continuous improvement

Operations agreements

Determining business outcomes and experiences that will drive the establishment of appropriate SLAs, KPIs, XLAs, and OLAs

Source: Avasant Research

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Avasant recognizes 21 top-tier providers supporting the enterprise adoption of multisourcing service integration

Practice maturity

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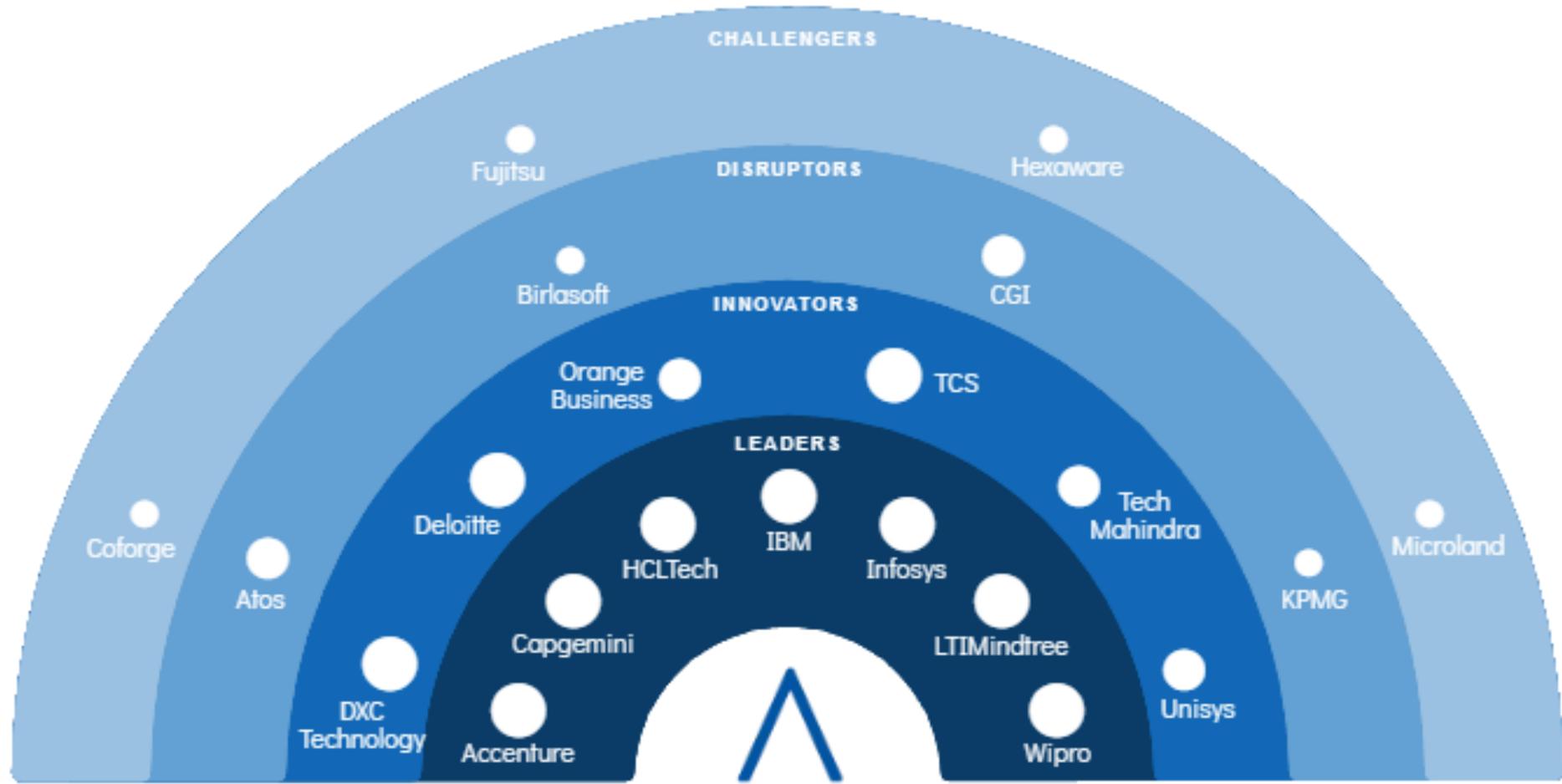
State of the market

Key drivers that are influencing the adoption of MSI processes among various enterprises

Compliance and regulatory requirements

MSI helps organizations meet regulatory compliance by enabling collaboration with vendors who specialize in the relevant compliance standards.

Risk mitigation and governance

MSI assists firms in mitigating operational and financial risks and enabling effective governance by establishing clearly defined roles, business-driven SLAs, and well-negotiated contracts.

Flexibility and agility

MSI helps enterprises adapt faster to changing market conditions and technological advancements and facilitates rapid onboarding of new vendors.

Cost optimization

MSI reduces effort duplication, eradicates siloes in service towers, and standardizes processes across several suppliers, leading to cost savings.

Complexity of services across multiple vendors

MSI simplifies and streamlines the management of complex and diverse IT services in a multivendor landscape, allowing for seamless integration throughout the IT environment.

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Almost 50% of the enterprises are interested in leveraging end-to-end MSI capabilities from service providers

Share of MSI engagement categories across various enterprises

49%

41%

10%
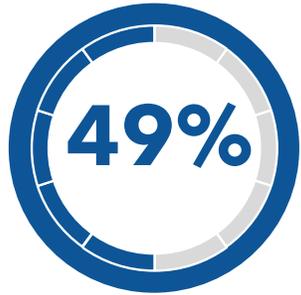
| Provider of MSI services | MSI advisor/consultant | Delivery aligned with MSI tower |

A postal service in Norway

A postal service in Norway wanted to align IT processes and services with its business objectives and standardize SLAs and KPIs. It sought the support of a service provider for end-to-end MSI management across multiple vendors.
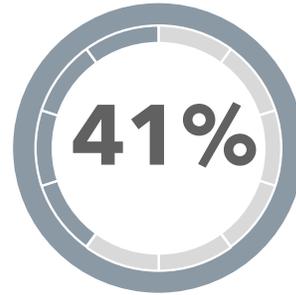
A global aviation group

To create a next-generation operating model, a global aviation group company wanted to refresh its IT infrastructure and applications through a Digital SIAM model. It sought the help of an MSI service provider to create a road map for SIAM transformation.

An India-based manufacturer

An India-based manufacturer wanted to understand the obligations of individual service towers and resource mapping for each MSI tower. It sought the assistance of an MSI service provider to specifically identify the responsibilities of each tower.

Source: Avasant MSI Services RadarView Survey, January–March 2024

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Communication, collaboration, and governance are the top challenges enterprises face while implementing MSI services
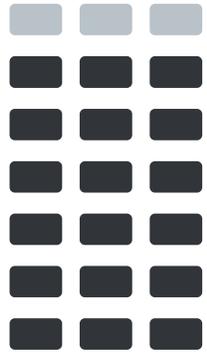
85%
Communication and collaboration

- Absence of effective communication and commitment in running MSI functions
- Lack of cross-supplier collaborations and operational transparency
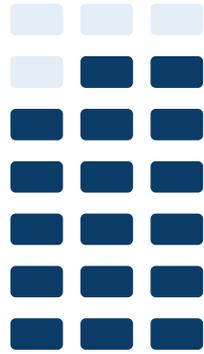
83%
Governance

- Disparate governance lacking integrated control and compliance
- Absence of centralized reporting to handle escalated issues
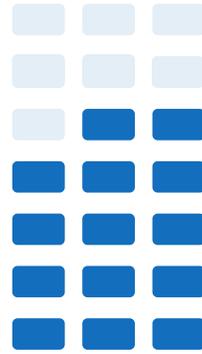
67%
Service level agreements (SLAs)

- Inconsistent SLAs across multiple suppliers
- Unclear supplier responsibilities leading to a mismatch between the supplier SLAs and business SLAs
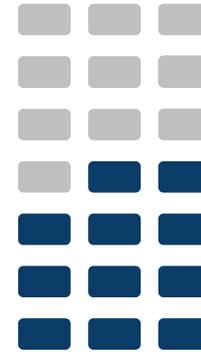
53%
Organizational change management

- Resistance to change among senior leadership
- Lack of alignment and coordination among different levels in the organization
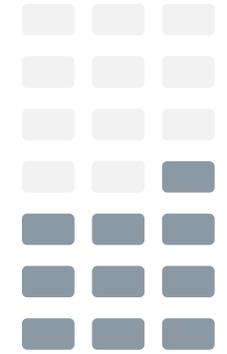
50%
Fragmented IT landscape

- Decentralized MSI processes, tool integrations, and operations
- Disparate platform architectures among multiple suppliers

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Enterprises are utilizing generative AI for MSI services, primarily in the areas of service integration, predictive analytics, and incident resolution

Generative AI use cases that are either developed or in pilot stages for delivering MSI services

Service integration

Enterprises are infusing generative AI into service integration in MSI service towers such as cloud, security, network, application development, and managed services to optimize costs and derive better business outcomes.

Incident resolution

Firms are leveraging generative AI to support language translation during on-call assistance and automatically resolve IT issues through virtual agents, predictive engines, and intelligent root cause analysis.

Predictive analytics

Organizations are utilizing generative AI to perform predictive analytics on dashboards while supporting data-driven trends to improve MSI governance and help C-suite executives in their decision-making process.

Process automation

Enterprises are leveraging generative AI to automatically generate source code, complex scripts, templates, and business rules resulting in faster execution and improved outcome of overall process execution.

Knowledge management

Firms are using generative AI for text summarization of knowledge base articles, knowledge article discovery, and intelligent enterprise search with domain-specific contextual responses for reduced discovery time and human effort.

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Capgemini profile

Capgemini: RadarView profile

Capgemini

AVASANT RADARVIEW™ LEADER
Multisourcing Service Integration 2023-2024

Practice maturity ★★★★★

Partner ecosystem ★★★★★

Investments & innovation ★★★★★

Has acquired BTC Corporation to improve its digital transformation offerings and launched the Generative AI for CX Foundry with Salesforce.

Practice overview

- Practice size: 3,000+
- Active clients: 310+
- Certified/trained resources: 11,900+ MSI-related certifications
- Delivery highlights: Delivery centers across 50+ countries

€22B	150+
Overall revenue, FY 2022	ServiceNow accelerators developed

Client case studies

- Implemented governance operations and enabled omnichannel self-service capabilities for a financial services company. It also utilized the ServiceNow event management platform to proactively discover issues. This reduced the average time taken to resolve incidents by 70%.
- Defined the service integration and management (SIAM) model across a multivendor landscape and facilitated organizational change management for a manufacturing company. It also delivered end-to-end process management, reducing the overall service request backlog by 74%.
- Established a global delivery operations model to support incident management, problem management, and application support for an energy technology company. It also leveraged its ADMnext service suite to support ITOps, reducing incidents and ticket volume.
- Modernized IT operations and systems by implementing new technologies and automation services for a global technology company. It adopted an ADMnext-led approach, increasing customer experience by 26% and improving data rationalization by 15%.

Key IP and assets

- SIAM Operational Intelligence: An automation tool that provides operational dashboards to monitor multisupplier performance
- Capgemini SIAM Platform V2.0: A ServiceNow platform for workflow automation
- SIAM Design Blueprint: A solution accelerator to design and develop blueprints for SIAM transformation

Partnerships/alliances

Cloud platform providers

aws   Google Cloud   Microsoft

Solution providers

servicenow   dynatrace

salesforce   splunk>   UiPath

GENESYS   APPTIO an IBM Company

Sample clients

- A European organization for the safety of air navigation
- A financial services company
- A French multinational insurance company
- A global pharmaceutical company
- A global technology company
- A manufacturing company
- A Swiss insurance company
- A UK-based public services provider
- An energy technology company

Industry coverage

- Aerospace & defense
- Banking
- Financial services
- Government
- Healthcare & life sciences
- High-tech
- Insurance
- Manufacturing
- Nonprofits
- Retail & CPG
- Telecom, media & entertainment
- Travel & transportation
- Utilities & resources

Darker color indicates higher industry concentration:

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Capgemini: RadarView profile

Practice maturity ★★★★★

- Capgemini's Digital SIAM Transformation offering provides digital transformation and operational management support to enterprises. Its operational services include transition and transformation support, service desk assistance, performance monitoring, and analytics. Its SIAM platform v2.0 helps organizations measure and monitor shared service level agreements (SLAs), key performance indicators (KPIs), and operational measures.
- It offers comprehensive governance services to clients by designing governance bodies and establishing forums. It also manages governance sessions to track, monitor, and record decisions, risks, escalations, and future agendas. Capgemini enables a collaborative culture for enterprises through transparency, integration, governance, and trust.
- It has developed various solutions and accelerators to expedite customers' digital transformation journeys. They include a digital governance framework to automate governance processes, the SIAM sustainability module to facilitate sustainability through ServiceNow configurations, and the SLA compliance dashboard to monitor the SLAs/KPIs performance of all suppliers.

Partner ecosystem ★★★★★

- Capgemini has a strategic collaboration with Splunk to help clients in three areas: security, IT, and observability. It focuses on these functions by improving threat detection and service health, reducing response times, automating operations, preventing outages, expediting remediation time, and gaining full-stack visibility to deliver enhanced customer experience.
- It partners with ServiceNow to offer digital transformation services with a focus on delivering sustainable business outcomes. It also helps enterprises build and optimize cross-functional workflows through systems integration. It has jointly developed multiple solutions, which include Digital SIAM, Enterprise Service Management on NOW, Digital Shopfloor Solution, and Future Franchise Services.

Investments and innovation ★★★★★

- In June 2023, Capgemini acquired BTC Corporation, a cloud and digital services company. This acquisition strengthened Capgemini's digital and cloud portfolio, enabling agile development, cloud integration, and digital transformation for customers in Japan.
- In September 2023, it launched the Generative AI for CX Foundry in partnership with Salesforce. This foundry leverages Capgemini's customer service expertise and Salesforce's CRM platform to offer hyperpersonalized and data-driven customer experience and helps enterprises automate content creation with responsible, ethical, and generative AI.

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Appendix:
About RadarView

The Multisourcing Service Integration 2023–2024 RadarView asseses service providers across three critical dimensions

Practice maturity

- This dimension considers the current state of a provider's multisourcing service integration practice in terms of its strategic importance for the provider, the maturity of its offerings and capabilities, and client engagement.
- The crucial aspects in this dimension are the width and depth of the client base, usage of proprietary/outsourced tools and platforms, and quality of talent and execution capabilities.

Partner ecosystem

- This dimension asseses the nature of the ecosystem partnerships of the provider, the objectives of the partnerships (codevelopment and co-innovation), and engagement with solutions providers, startup communities, and industry associations.
- Vital aspects in this dimension are joint development programs around offerings, go-to-market approaches, and the overall depth of partnerships.

Investments and innovation

- This dimension measures the strategic direction of the provider's investments and resultant innovations in the offerings and commercial model and how it aligns with the future direction of the industry.
- The critical aspects of this dimension include both organic and inorganic investments toward capability and offering growth, technology development, and human capital development, along with innovative solutions developed with strategic partners.

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Research methodology and coverage

Avasant based its analysis on several sources:

Public disclosures
Publicly available information such as Securities and Exchange Commission filings, annual reports, quarterly earnings calls, and executive interviews and statements

Market interactions
Discussions with enterprise executives leading outsourcing initiatives and influencing service provider selection and engagement

Provider inputs
Inputs collected in December 2023 through an online questionnaire and structured briefings in January–March 2024

Of the 32 service providers assessed, the final 21 featured in the Multisourcing Service Integration 2023–2024 RadarView are:

accenture   Atos   birlasoft   Capgemini

CGI   Coforge   Deloitte.   DXC TECHNOLOGY

FUJITSU   HCLTech   HEXAWARE   IBM

Infosys   KPMG   LTIMindtree

MICROLAND   orange Business   tcs TATA CONSULTANCY SERVICES

TECH mahindra   Unisys   wipro

Note: Assessments for Accenture, Atos, Birlasoft, CGI, Coforge, Deloitte, Fujitsu, Hexaware, IBM, KPMG, Microland, and TCS were conducted based on public disclosures and market interactions only.

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Reading the RadarView

Avasant has recognized service providers in four classifications:

Leaders show consistent excellence across all key dimensions of the RadarView assessment (practice maturity, partner ecosystem, and investments and innovation) and have had a superior impact on the marketplace. These providers have shown true creativity and innovation and have established trends and best practices for the industry. They have proven their commitment to the industry and are recognized as thought leaders in their space, setting the standard for the rest of the industry to follow. Leaders display a superior quality of execution and a reliable depth and breadth across verticals.

Innovators show a penchant for reinventing concepts and avenues, changing the very nature of how things are done from the ground up. Unlike leaders, innovators have chosen to dominate a few select areas or industries and distinguish themselves through superior innovation. These radicals are always hungry to create pioneering advancements in the industry and are actively sought after as trailblazers, redefining the rules of the game.

Disruptors enjoy inverting established norms and developing novel approaches that invigorate the industry. These providers choose to have a razor-sharp focus on a few specific areas and address those at a high level of granularity and commitment, which results in tectonic shifts. While disruptors might not have the consistent depth and breadth across many verticals like leaders or the innovation capabilities of innovators, they exhibit superior capabilities in their areas of focus.

Challengers strive to break the mold and develop groundbreaking techniques, technologies, and methodologies on their way to establishing a unique position. While they may not have the scale of the providers in other categories, challengers are eager and nimble and use their high speed of execution to great effect as they scale heights in the industry. Challengers have a track record of delivering quality projects for their most demanding Global 2000 clients. In select areas and industries, challengers might have capabilities that match or exceed those of the providers in other categories.

Key contacts

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