



Everest Group Software Product Engineering Services PEAK Matrix® Assessment 2024

Focus on Capgemini

May 2024



Background and introduction of the research

Software, the largest spend area in the product engineering space, continues to keep its upward march alive, albeit at a decelerated pace, primarily due to recessionary headwinds, geopolitical conflicts, talent constraints, and delayed decision-making at enterprises. Amidst the macroeconomic turbulence, certain themes continue to propel the software R&D forward – a shift toward platform-based business model, increased adoption of AI-/gen AI-augmented and secure products, a focus on sustainability, and an enhanced emphasis on customer and developer experiences.

This pivot toward these transformative themes, coupled with the current economic scenario, is profoundly changing enterprises' expectations from their service providers. From seeking a provider solely focused on offering engineering talent, enterprises now aspire to engage with strategic partners capable of delivering savings, speed, and innovation concurrently.

In the full report, we present an assessment and detailed profiles of 43 engineering services providers featured on the [Navigating the Platform Odyssey: Software Product Engineering Services PEAK Matrix® Assessment 2024](#).

Each 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 calendar year 2023, interactions with leading software product engineering services providers, client reference checks, and an ongoing analysis of the engineering services market.

The full report includes the profiles of the following 43 leading engineering services providers featured on the Software Product Engineering Services PEAK Matrix:

- **Leaders:** Accenture, Cognizant, Capgemini, EPAM, GlobalLogic, Globant, HCLTech, Infosys, Persistent Systems, TCS, and Wipro
- **Major Contenders:** ACL Digital, Apexon, Aspire Systems, Brillio, Ciklum, Cybage, DataArt, Encora, Happiest Minds, HARMAN DTS, Infogain, Mphasis, LTIMindtree, Ness Digital Engineering, N-iX,R Systems, Sigma Software, SoftServe, Softtek, Sonata Software, Tech Mahindra, TO THE NEW, UST, Xebia, and Xoriant
- **Aspirants:** Bounteous x Accolite, Daffodil Software, e-Zest Solutions, GS Lab | GAVS, Incedo, Kellton, and SOUTHWORKS™

Scope of this report

Geography: Global

Providers: 43 leading engineering service providers

Services: Software product engineering services

Software product engineering services PEAK Matrix® characteristics

Leaders

Accenture, Cognizant, Capgemini, EPAM, GlobalLogic, Globant, HCLTech, Infosys, Persistent Systems, TCS, and Wipro

- The Leaders segment comprises broad-based IT-heritage engineering service providers that have developed dominant capabilities in offering end-to-end software product engineering services – from high-value product/platform management and development services to long-term and recurring workstreams around product/platform operations
- Their global delivery presence across onshore, nearshore, and offshore locations has helped them achieve the right balance of client proximity and cost advantages in servicing large-scale engagements
- Leaders boast of a comprehensive partner ecosystem comprising hyperscalers, data and analytics partners, other enterprise technology providers, and academia / open-source communities, which they leverage strategically for co-innovation and joint GTM motions
- These players have made significant investments in developing Intellectual Property (IP), establishing labs and Centers of Excellence (CoEs), and upskilling talent across pertinent themes such as cloud, data engineering, AI/ML, security, observability, FinOps, sustainability, testing, automation, and immersive reality

Major Contenders

ACL Digital, Apexon, Aspire Systems, Brillio, Ciklum, Cybage, DataArt, Encora, Happiest Minds, HARMAN DTS, Infogain, LTIMindtree, Mphasis, Ness Digital Engineering, N-iX, R Systems, Sigma Software, SoftServe, Softtek, Sonata Software, Tech Mahindra, TO THE NEW, UST, Xebia, and Xoriant

- Major Contenders comprise both IT-heritage firms as well as pure-play engineering service providers
- While these players have made significant investments in building software product engineering expertise, their service portfolio is not as extensive as that of Leaders (in terms of presence across the value chain, geographies, and industries)
- These players are actively leveraging emerging deal constructs such as product carve-out and Build-Operate-Transfer models, and have crafted dedicated service offerings for private equity firms – enabling diversification of engagement channels
- They are also focusing on expanding their delivery presence and leveraging partnerships more strategically to strengthen their software product engineering services play

Aspirants

Bounteous x Accolite, Daffodil Software, e-Zest Solutions, GS Lab | GAVS, Incedo, Kellton, and SOUTHWORKS

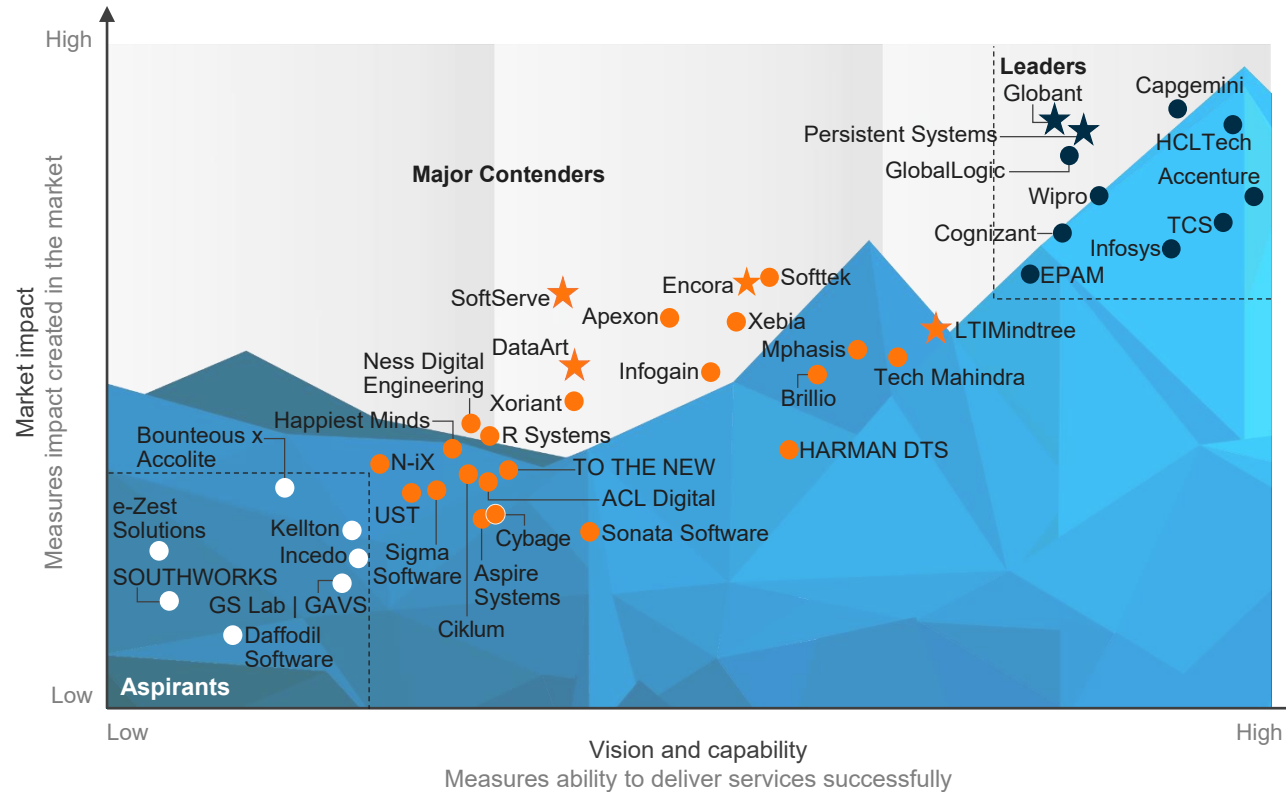
- Aspirants possess strong capabilities in specific technology areas and value chain elements; however, their global presence and ability to serve projects with wider scopes is limited
- They are making focused investments for enhancing their solutions portfolio, improving service enablement capabilities, and expanding their footprint and client base

Everest Group PEAK Matrix®

Software Product Engineering Services PEAK Matrix® Assessment 2024 | Capgemini is positioned as a Leader

Everest Group Software Product Engineering Services PEAK Matrix® Assessment 2024^{1,2}

- Leaders
- Major Contenders
- Aspirants
- ☆ Star Performers



¹ Assessments for Accenture, Cognizant, EPAM, Infosys, and Sonata Software exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interaction with buyers

² Analysis for Accolite Digital is based on capabilities before its merger with Bounteous

Source: Everest Group (2024)

Capgemini profile (page 1 of 4)

Overview

Vision and strategy

Capgemini envisions transforming enterprises by providing end-to-end support for their journey across the entire software product life cycle. It aims to achieve this vision by leveraging its product-centric approach that focuses on four core principles such as customer experience, product quality, product velocity, and scalability. This will help in enhancing user experience, designing modern architecture, reducing time-to-market, offering high-quality products, providing test automation solutions, elevating development environment, and increasing security.

Software product engineering services revenue and YoY growth rate (H1 CY2023)

Revenue	<US\$100 million	US\$100-200 million	US\$200-400 million	>US\$400 million
Growth rate	<10%	10-20%	20-30%	>30%

Software product engineering services revenue and YoY growth rate (CY2022)

Revenue	<US\$100 million	US\$100-250 million	US\$250-500 million	>US\$500 million
Growth rate	<10%	10-20%	20-30%	>30%

FTE split by region (as of H1 CY2023)

- Onshore
- Nearshore
- Offshore

Software product engineering services revenue mix (CY 2022)

- Low (<10%)
- Medium (10-30%)
- High (>30%)

By geography

- North America
- United Kingdom
- Europe
- India
- Rest of Asia Pacific
- Rest of the World

By verticals

- Automotive
- BFSI
- Consumer electronics
- Energy and utilities
- Healthcare
- ISV and internet
- Media and entertainment
- Medical devices
- Retail
- Telecom
- Others

By value chain elements

- Development
- Operations
- Management

By buyer size

- Small (annual client revenue <US\$1 billion)
- Medium (annual client revenue US\$1-5 billion)
- Large (annual client revenue US\$5-10 billion)
- Very large (annual client revenue US\$10-20 billion)
- Mega (annual client revenue >US\$20 billion)

Capgemini profile (page 2 of 4)

Case studies and solutions

[NOT EXHAUSTIVE]

CASE STUDY 1

Helped a client to modernize its applications

Business challenge

The client was looking for a partner that could offer an extended engineering team to help in its modernization journey to maintain an edge over competitors. The challenge faced by the client was that its monolith/legacy data engineering architecture was not able to support the growing number of customers.

Solution and impact

Capgemini transitioned the existing services to a new data model, and it updated and built new data pipelines to provide business intelligence. It performed various data-driven testing services and ensured data integrity across the various services offered. It optimized data processing pipelines using modern technologies, performed financial data integrity investigations, offered consulting services on data security to improve data privacy, and leveraged ML-based solutions to identify high-value payment transactions.

CASE STUDY 2

Helped a large private Asset Management Company (AMC) in its total software transformation journey

Business challenge

The client was seeking help in transforming its existing legacy platform to a modern microservices architecture. Fragmented IT landscape became a big challenge in achieving agility and interoperability, resulting in delays for feature releases. Other challenges were limited operational efficiency and high maintenance cost.

Solution and impact

Capgemini redesigned and reengineered digital assets such as web and mobile applications for the AMC. It utilized public cloud, cloud-native, and microservices-based modern architectures. Additionally, it modified the existing APIs and built new APIs as per the user journeys and integration requirements.

Proprietary solutions (representative list)

Solution	Details
Agile and federated inventory framework	A big data-based framework for processing inventory data from multiple data sources in real-time to generate an accurate network inventory database
Behavior-driven Test (BDT) framework	It is a test automation framework that can be applied in domains such as network testing, cloud, and web applications testing, and allows test engineers to write test cases in English, thus taking away the need to have knowledge of underlying test tools and associated scripting methods.
CEM InReach	A mobile device-based monitoring solution that collects device-specific data and forwards it to the centralized CEM solution
Digital cloud platform	A solution that accelerates time-to-market for greenfield app development or brownfield app modernization
Enskonce	It is a solution to reduce the barrier for application developers to host their edge applications that offer low-latency edge application development through Software Development Kits (SDKs), which provide edge applications on demand, discover edge deployments, orchestrate applications across operator networks, and monitor and manage applications throughout the life cycle.
Lab-as-a-Service	An automated solution that provides a portable lab having automated virtual test environments and network functions ready for being tested and deployed
Ready2Release	A release readiness advisor to accelerate agile sprint cycles
Tempest Demo	This solution demonstrates the application to validate the OpenStack environment by performing functional and integration testing against all OpenStack components including API, CLI, and stress-related test scenarios.

Capgemini profile (page 3 of 4)

Investments and partnerships

[NOT EXHAUSTIVE]

Key alliances and partnerships (representative list)



Partner name	Details
AWS	A partnership to help companies build and operate their products as a service, transform and sustain legacy products for the connected digital world, and maximize returns
Google	A relationship to enhance capabilities around cloud applications, platforms, and transformation services
Microsoft	A partnership that increases expertise in engineering, continuous integration, and maintenance services
IBM	An alliance that focuses on helping clients meet business needs to create cloud-based services and solutions
RedHat Openshift	A partnership that focuses on enhancing Platform-as-a-Service (PaaS) capabilities
Hortonworks and Cloudera	Alliances with analytics providers to enhance capabilities in developing big data and analytics products

Recent software product engineering services investments/acquisitions (representative list)

Investment/target	Details
Quantmetry	Acquisition that helps in delivering data transformation services at scale, assists in developing innovative, high-impact products, and offers services powered by AI
BTC	Acquisition to enhance cloud and digital capabilities to meet client demands, offer end-to-end services, and expand market presence in Japan
Aodigy	Acquisition to enhance digital transformation capabilities, improve customer experience, deliver end-to-end digital transformation services at scale, and expand market presence in the APAC region
CoE/Labs	Investment in setting up a CoE that enhances capabilities across Product Lifecycle Management (PLM), Service Lifecycle Management (SLM), AR/VR, and Computer-aided Design (CAD) and Simulation
CoE – IoT	Investment in setting up a CoE to enhance expertise around IoT, offer technology consulting on IoT solutions, provide end-to-end data-driven transformation, deliver customized benchmarks and recommendation, provide turnkey IoT applications, and develop customized IoT solutions on-demand










Capgemini profile (page 4 of 4)

Investments and partnerships

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	Delivery footprint	Overall
								

Strengths

- Acquisitions have helped Capgemini to strengthen its technical capabilities across data and AI (Quantmetry), cloud engineering (BTC), and digital transformation (Aodigy Asia Pacific)
- The company showcases flexibility in commercial constructs and leverages innovative pricing models such as outcome-based, revenue-sharing, and risk-reward pricing in client engagements
- Capgemini has developed a strong partner ecosystem that constitutes hyperscalers (AWS, Azure, and GCP), data and analytics partners (Snowflake, Databricks, Palantir, and Informatica), and other enterprise technology providers (UiPath, Mendix, Dataiku, and Unity), which it actively leverages for build-sell-co-sell initiatives
- It has a balanced delivery footprint across onshore, nearshore, and offshore regions, enabling client proximity and seamless delivery
- Clients appreciate Capgemini for its competitive pricing, technical expertise, flexibility in adapting to changing scope, and effective project management practices

Limitations

- While Xebia has a strong clientele across service-oriented verticals (BFSI, retail, and travel and hospitality), it derives limited revenue from technology and asset-heavy industry enterprises
- While Capgemini has a strong presence across North America and Europe regions, it has limited clientele across the high-growth APAC geography
- Clients expect Capgemini to continue to upskill its resources around emerging themes such as cloud-native product development and AI

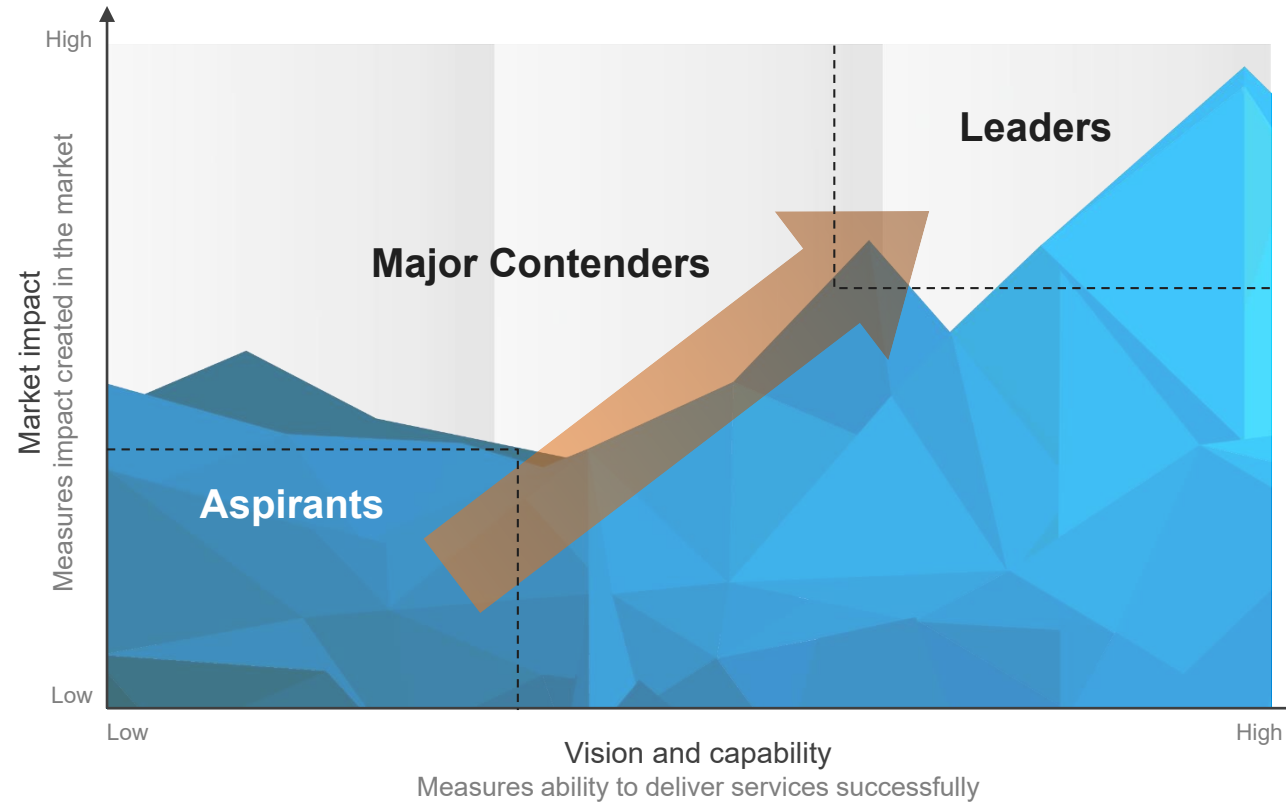
Appendix

PEAK Matrix® framework

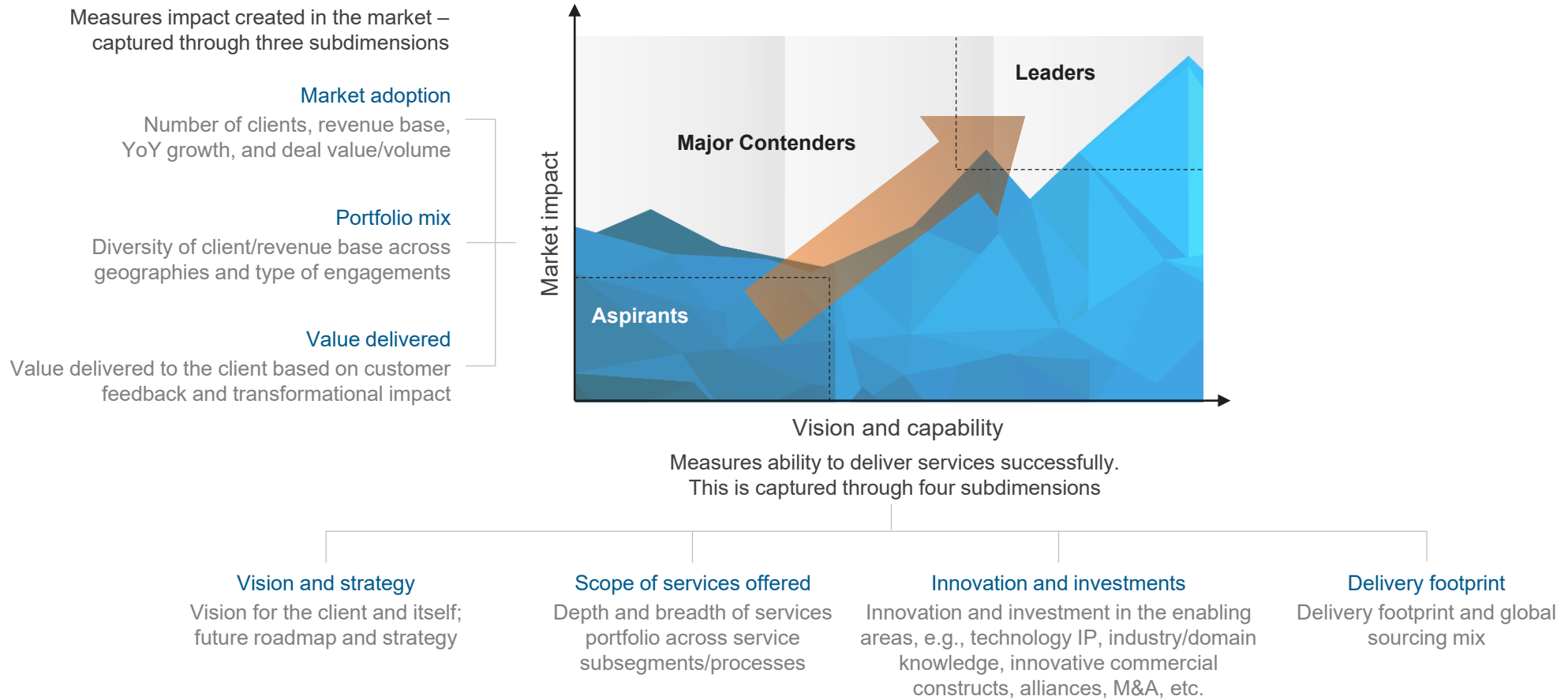
FAQs

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

Everest Group PEAK Matrix



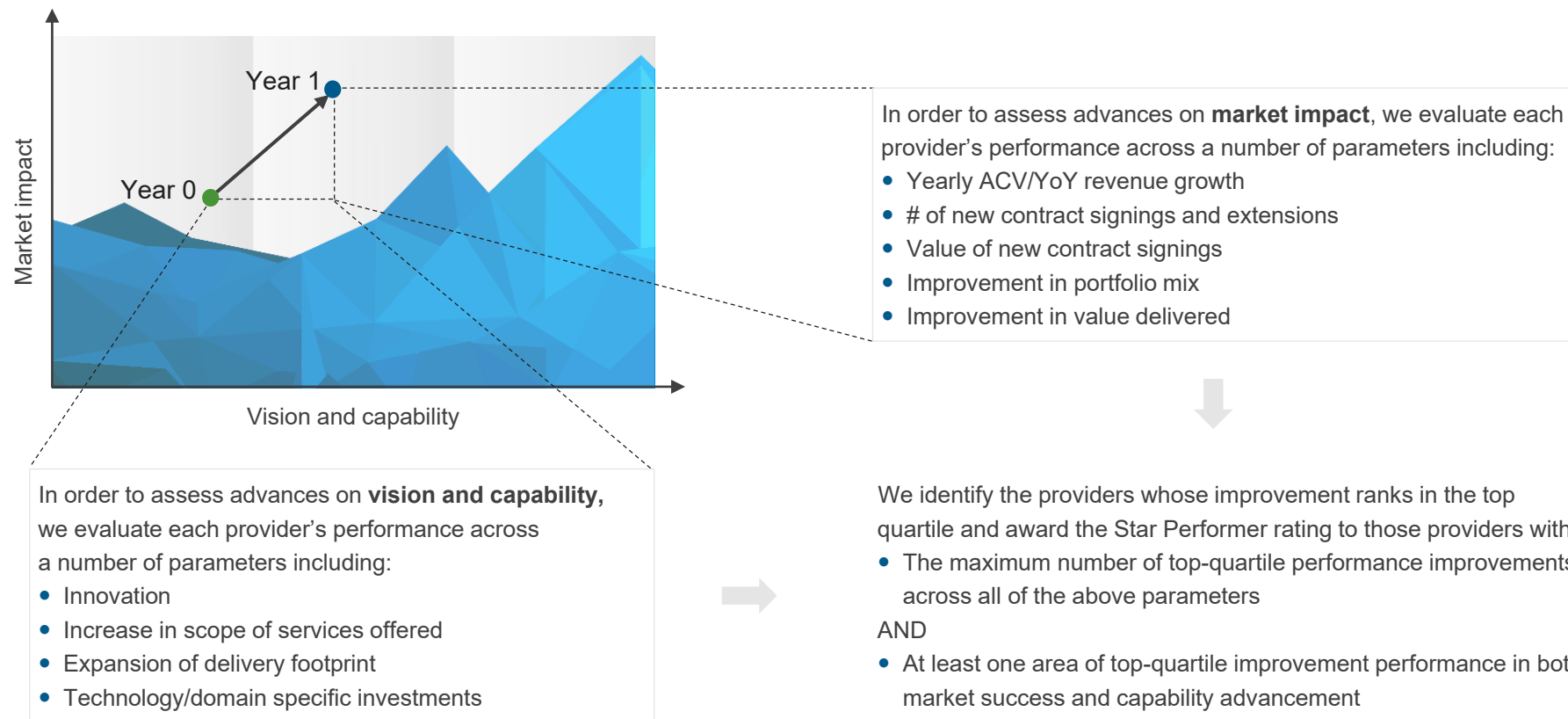
Services PEAK Matrix® evaluation dimensions



Everest Group confers the Star Performer 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



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

FAQs

Q: Does the PEAK Matrix® assessment incorporate any subjective criteria?

A: Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results based on our market experience, buyer interaction, and provider/vendor briefings.

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

A: 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.

Q: What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?

A: A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

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

A: Enterprise participants receive summary of key findings from the PEAK Matrix assessment

- For providers
 - The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
 - In addition, it helps the provider/vendor organization gain brand visibility through being included in our research reports

Q: What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?

A: Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:

- Issue a press release declaring positioning; see our citation policies
- Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
- Use PEAK Matrix badges for 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 Everest Group; please contact your CD or contact us

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

A: PEAK Matrix assessments are designed to serve enterprises' current and future needs. 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 and to serve enterprises' future expectations.

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