Everest Group PEAK Matrix® for Software Product Engineering Service Providers 2021

Focus on Accenture

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Background and introduction of the research

The proliferation of software into products, platforms, and processes across all domains has helped unlock new horizons of experience-centricity. Enterprises' software products and platforms are experiencing constant evolution that has led to a multitude of challenges, primarily:

- Developing robust and secure products that are resilient against vulnerabilities and uncertainties such as the COVID-19 pandemic
- Ensuring speed-to-market and differentiation, with user-experience-centered software products
- Keeping pace with ever-evolving software products and changing customer expectations and demand
- Leveraging data to generate new revenue streams and drive efficiency in software product engineering

These challenges have fueled the need to establish a compelling ecosystem of partners, and engineering service providers are actively enhancing their capabilities and offerings to help enterprises tackle these challenges in their software product engineering journey to create experience-centric, secured, and resilient next-generation software products.

This research, the third edition of Everest Group's Software Product Engineering PEAK Matrix® Assessment, evaluates 31 engineering service providers, features them on the PEAK Matrix®, and shares insights on enterprise sourcing considerations. The study is based on RFI responses from service providers, interactions with their software product engineering leadership, client reference checks, and an ongoing analysis of the engineering services market.

The report assesses the following 31 leading engineering service providers featured on the Software Product Engineering PEAK Matrix®:

- **Leaders:** Accenture, Capgemini, Cognizant, HCL Technologies, Infosys, TCS, Tech Mahindra, and Wipro
- **Major Contenders:** Aspire Systems, Brillio, Cybage, EPAM, GlobalLogic, Globant, Happiest Minds, HARMAN Connected Services, Incedo, Infogain, Innominds, Itransition, Mindtree, Mphasis, Persistent Systems, Sonata Software, UST, and Virtusa
- **Aspirants:** Daffodil Software, Dextra Technologies, eInfochips, Intellias, and TO THE NEW

Scope of this report:

Geography
Global

Service providers
31 leading broad-based and pure-play engineering service providers

Services
Software product engineering services

Software Product Engineering Services PEAK Matrix® characteristics

Leaders:

Accenture, Capgemini, Cognizant, HCL Technologies, Infosys, TCS, Tech Mahindra, and Wipro

- The Leaders segment comprises broad-based IT-heritage engineering service providers who have developed dominant capabilities in offering premium and multi-disciplinary software product engineering services
- Leaders have made considerable investments and have effectively traversed both organic and inorganic growth trajectories to develop strong competence across all the elements of software product engineering value chain
- Their international delivery presence has helped them achieve the right balance of client proximity and cost advantages in servicing large-scale engagements
- These players are extensively focusing on putting their skin in the game and shifting beyond traditional outsourcing models toward emerging engagement constructs, primarily product carve-outs and legacy product management, IP partnerships, and revenue sharing models

Major Contenders:

Aspire Systems, Brillio, Cybage, EPAM, GlobalLogic, Globant, Happiest Minds, HARMAN Connected Services, Incedo, Infogain, Innominds, Itransition, Mindtree, Mphasis, Persistent Systems, Sonata Software, UST, and Virtusa

- Major Contenders comprise both IT-heritage firms as well as pure-play engineering service providers
- These players are actively enhancing expertise in cloud engineering, AI/ML, data & analytics, and agile & DevSecOps through talent enhancement initiatives to develop differentiated offerings and compete with Leaders
- They are also focusing on expanding their delivery presence and leveraging partnerships with hyperscalers, technology firms, and academia to strengthen their presence in software product engineering services

Aspirants:

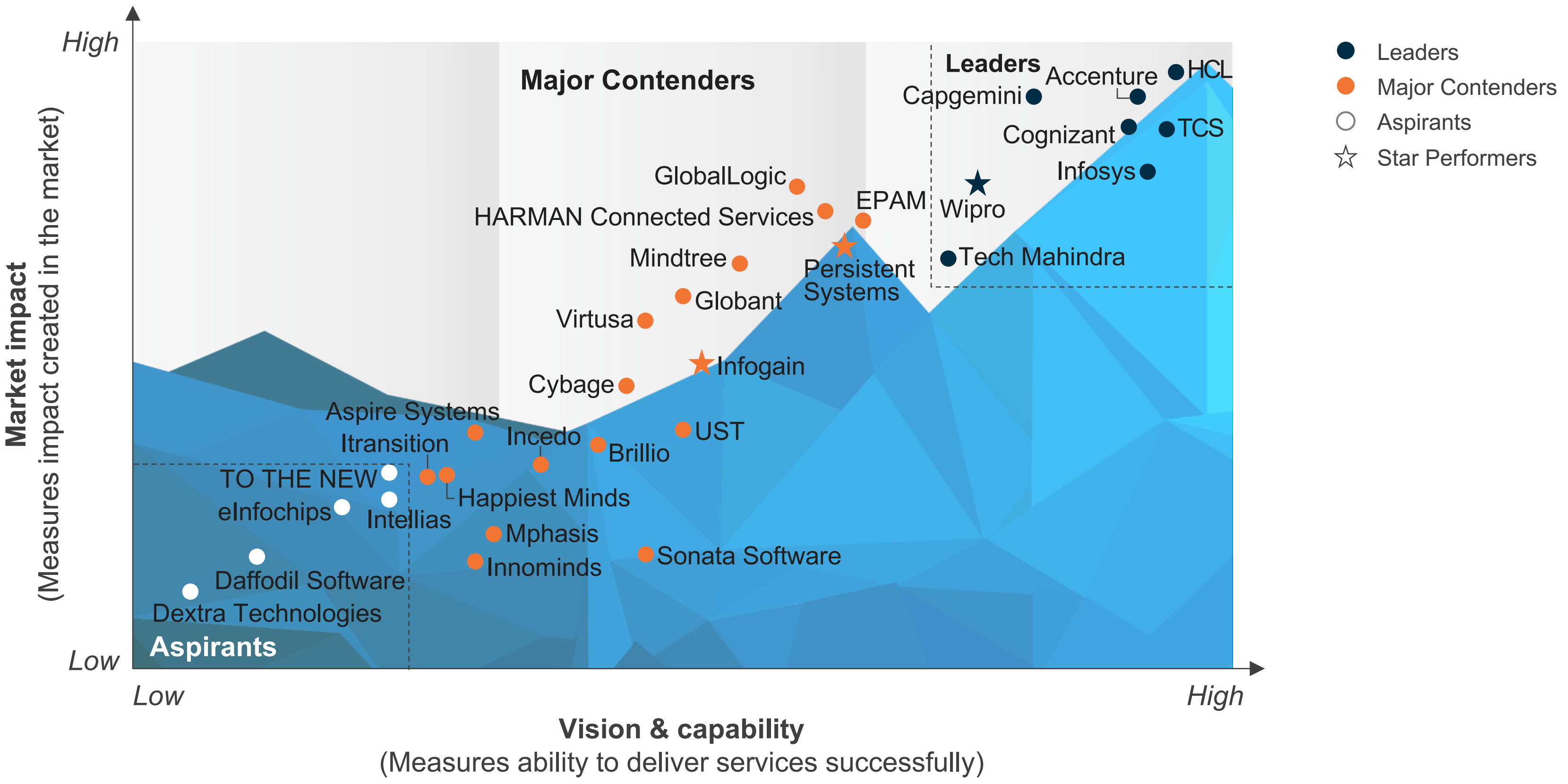
Daffodil Software, Dextra Technologies, eInfochips, Intellias, and TO THE NEW

- 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 to enter the Major Contenders segment

Everest Group PEAK Matrix®

Software Product Engineering Services PEAK Matrix® Assessment 2021 | Accenture positioned as Leader

Everest Group Software Product Engineering Services PEAK Matrix® Assessment 2021[1,2]



1 Assessments for Dextra Technologies, EPAM, Globant, and Virtusa 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 Assessment of Capgemini is inclusive of Altran (part of Capgemini) and reflects their joint capabilities and market impact

Source: Everest Group (2021)

Accenture | software product engineering services profile (page 1 of 4)

Everest Group assessment – Leader

Measure of capability: High Low

Market impact				Vision & capability				
Market Adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services	Innovation & investments	Delivery Footprint	Overall

Strengths

- Credible inorganic growth strategy, backed by several acquisitions to bolster its software product engineering services portfolio
- Superior project management capabilities in terms of stakeholder management, responsiveness, knowledge continuity practices, and attrition management
- Market-recognized focus toward service quality improvement and commitment to maintain high performance throughout the duration of engagements
- Proactively and collaboratively drives innovation in software product engineering engagements, especially the ones related to next-generation themes

Limitations

- Onshore-heavy delivery model with limited presence in low-cost offshore and nearshore geographies
- Perceived as an expensive service provider by the market, that offers limited commercial flexibility
- Not recognized as the preferred partner for less critical and commoditized workstreams owing to uncompetitive pricing

Accenture | software product engineering services profile (page 2 of 4)
Overview

Vision & strategy: Accenture envisions helping its clients accelerate the shift from applications to composable capabilities by leveraging product and platform strategy, operating models, software engineering methodologies, and modern platform engineering principles. Accenture plans to architect, develop, scale, and maintain solutions that form the foundation for building future applications and products, while leveraging ecosystem integration and cloud to deliver greater value to consumers at scale.

Software product engineering services revenue (Oct'19-Sept'20)

<US$100 million	US$100-US$250 million	US$250-US$500 million	>=US$500 million

YoY growth rate in software product engineering services revenue (Oct'19-Sept'20)

<10%	10-20%	20-30%	>=30%

Revenue derived from cloud engineering initiatives (Oct'19-Sept'20)

<20%	20-35%	35-50%	>=50%

Adoption by vertical — High (>=25%) | Medium (10-25%) | Low (<10%)

Automotive	Aerospace & defense	Telecom	Media & entertainment
BFSI	ISV & internet	Storage & compute	Consumer electronics
Medical devices	Energy & utility	Retail	Others

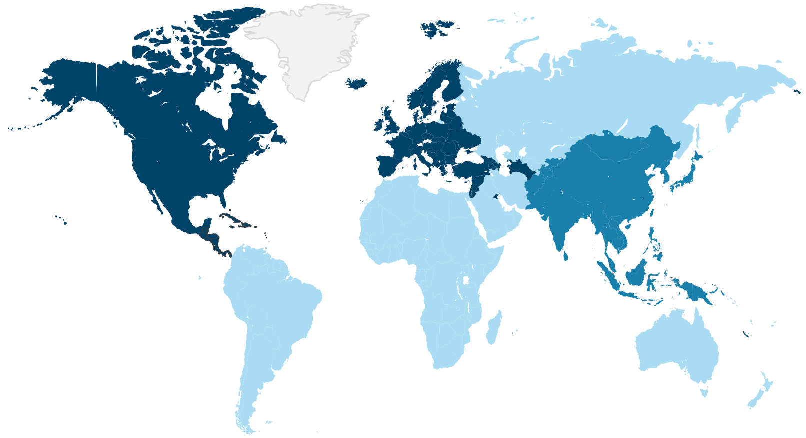
Adoption by value chain element — High (>=30%) | Medium (15-30%) | Low (<15%)

Ideation & design	Software product development	Testing & certification	Deployment	Software product management

Adoption by buyer size — High (>=30%) | Medium (15-30%) | Low (<15%)

Small (Annual revenue < US$1bn)	Medium (Annual revenue US$1-5 bn)	Large (Annual revenue US$5-10 bn)
Very large (Annual revenue US$10-20 bn)	Mega (Annual revenue > US$20bn)	

Adoption by geography — High (>=30%) | Medium (10-30%) | Low (<10%)



Accenture | software product engineering services profile (page 3 of 4)

Case studies and solutions

Case study 1	Partnering with an international media group to help accelerate market entry by developing a new Over-The-Top (OTT) platform

Business challenge

The client was looking for a long-term partner to strengthen its OTT platform engineering capability, consolidate multiple properties with diverse technologies onto a single platform, differentiate its offerings, and accelerate the time-to-market.

Solution and impact

Accenture followed a pod-based approach to build an OTT platform and supported engineering development in areas such as encoding, metadata management, personalization, recommendation, adtech, and operations. Accenture accelerated client's entry into direct-to-consumer space to meet the increased demand of OTT services due to lockdown and isolation measures imposed during the pandemic.

Case study 2	Modernizing global payment platform and facilitating addition of new features and functionalities for a global online marketplace

Business challenge

The client was looking to get support in engineering and product management to accelerate timelines, design new features, and manage regulatory compliance for European transactions.

Solution and impact

Accenture helped the client in defining its Go-to-Market (GTM) strategy, design new product functionalities, and plan and implement specific compliance features for the European market. Accenture's approach helped the client accelerate feature development, project timelines, and reduce overhead costs on product management and engineering by leveraging agile practices.

Proprietary solutions (representative list)

Solution	Details
Accenture myWizard®	A platform for intelligent software engineering and IT services delivery that leverages Accenture's technology and industry assets – powered by AI and analytics
Accenture Touchless Testing Platform	A fully-automated approach to engineering – powered by AI and analytics – to reduce the time-to-market for software products and ensure higher quality
myCloudPlatform	A turn-key and cloud-native solution for cloud-based applications to accelerate engineering processes, optimize productivity, and deliver scalable and robust set of services

Accenture | software product engineering services profile (page 4 of 4)

Investments and partnerships

Key alliances and partnership (representative list)

Company	Details
Amazon	An alliance – Accenture AWS Business Group – to support enterprise-wide AWS deployment for clients
Docker	An alliance to develop a model for migrating and securely managing containerized environments across the entire software supply chain
Google	A strategic partnership – Accenture Google Business Group – to build human-centric solutions powered by Accenture and Google cloud
Microsoft	A strategic partnership, named Accenture Microsoft Business Group powered by Avanade, to develop customized solutions for clients by leveraging IoT technology

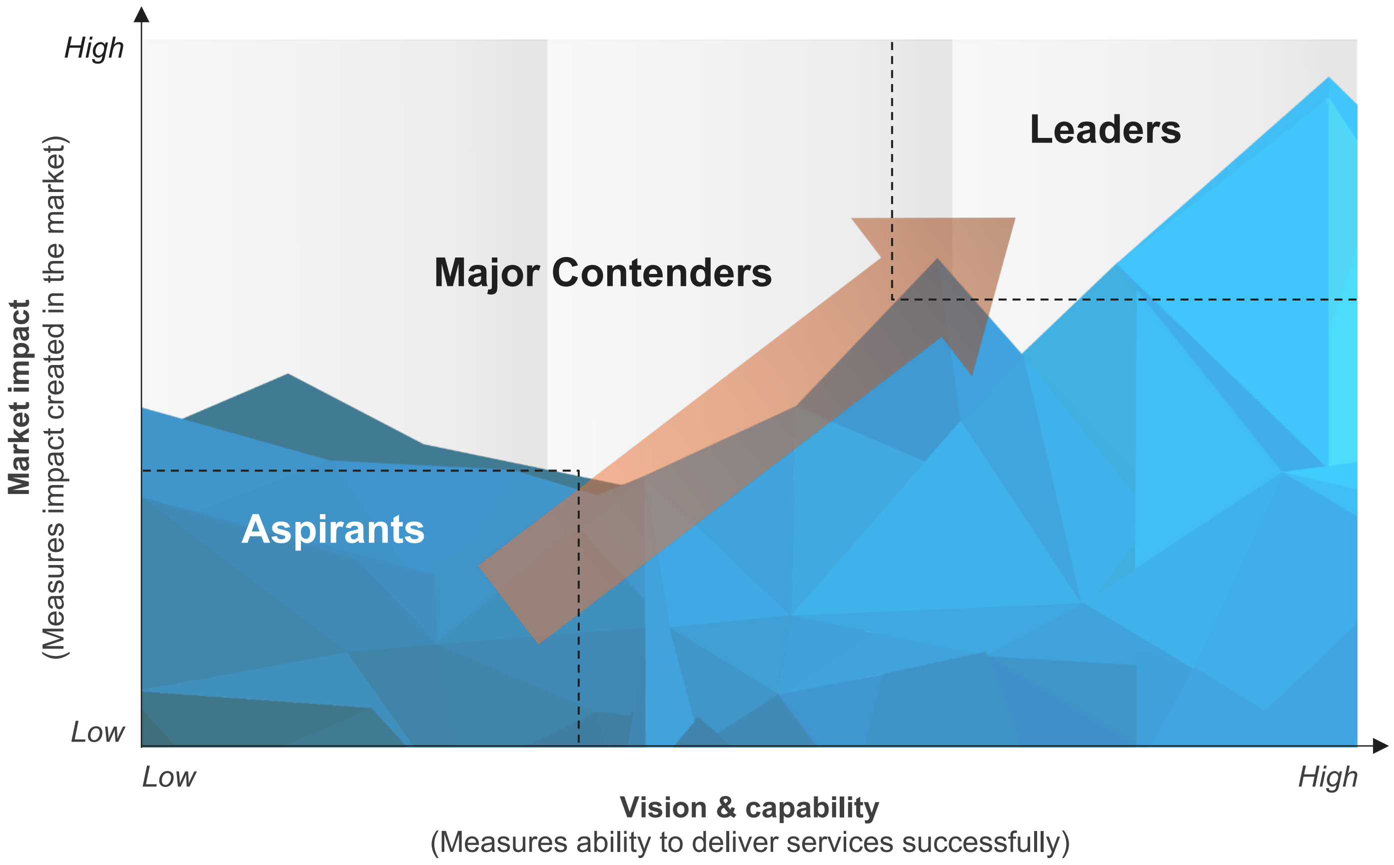
Recent software product engineering services investments/acquisitions (representative list)

Investment/target	Company description
Accenture Innovation Centers	Investment in more than 100 open innovation locations around the world where clients can work simultaneously with Accenture teams to ideate, build prototypes, and scale for innovative products and services
Cloud-native college	Investment to design a formal program for training and skilling software engineers in cloud-native development
ESR Labs	Acquisition to bring improvement in design, engineering, and manufacturing of products and services
Fairway Technologies	Acquisition to build competency in custom platform and core product development
Mindtribe	Acquisition to enhance capabilities in embedded software used in smart and connected products
Nytec	Acquisition to develop expertise in IoT engineering and software platform development
Pillar Technology	Acquisition to expand domain knowledge in embedded software required for agile development and testing of enterprise-grade applications, software products and platforms associated with physical products, and digital services for hardware products
Vanberlo	Acquisition to augment capabilities in product design, software development, and prototyping with a focus on creating sustainable solutions

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, new client wins, prominent pricing models, and deal value

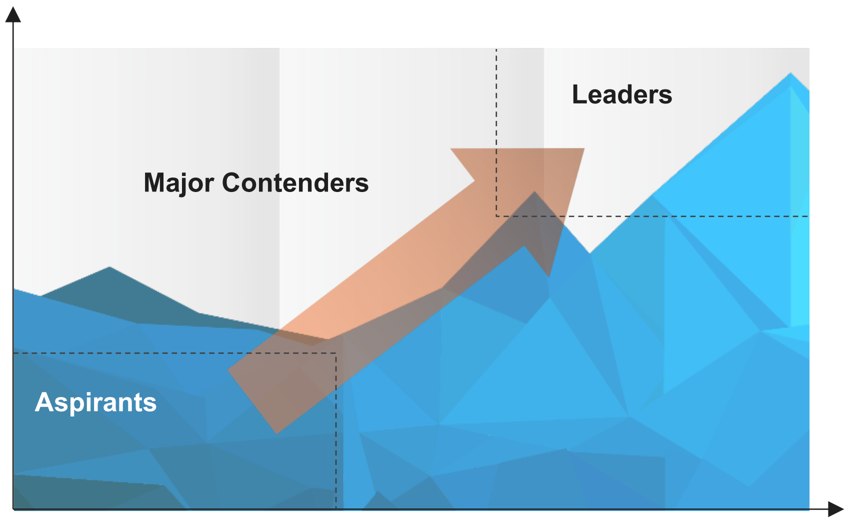
Portfolio mix

Diversity of client/revenue base across geographies, verticals and type of clients

Value delivered

Value delivered to the client based on customer feedback and transformational impact

Market impact



Vision & capability

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, alliances, M&A, and service enablement

Delivery footprint

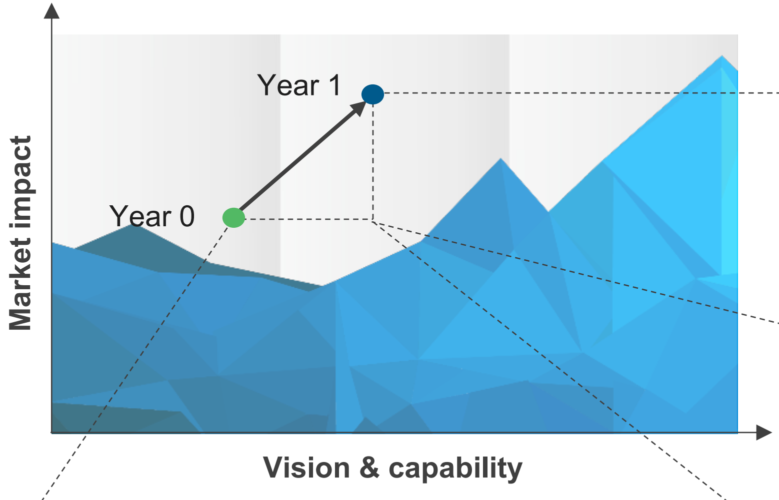
Delivery footprint and global sourcing mix

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

Everest Group 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 service 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 service 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 service providers whose improvement ranks in the top quartile and award the Star Performer rating to those service 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 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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With you on the journey

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Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-80-61463500

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

New York
info@everestgrp.com
+1-646-805-4000

Toronto
canada@everestgrp.com
+1-647-557-3475