



Everest Group Software Product Engineering Services PEAK Matrix® Assessment 2024

Focus on HCLTech

April 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 this research, 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

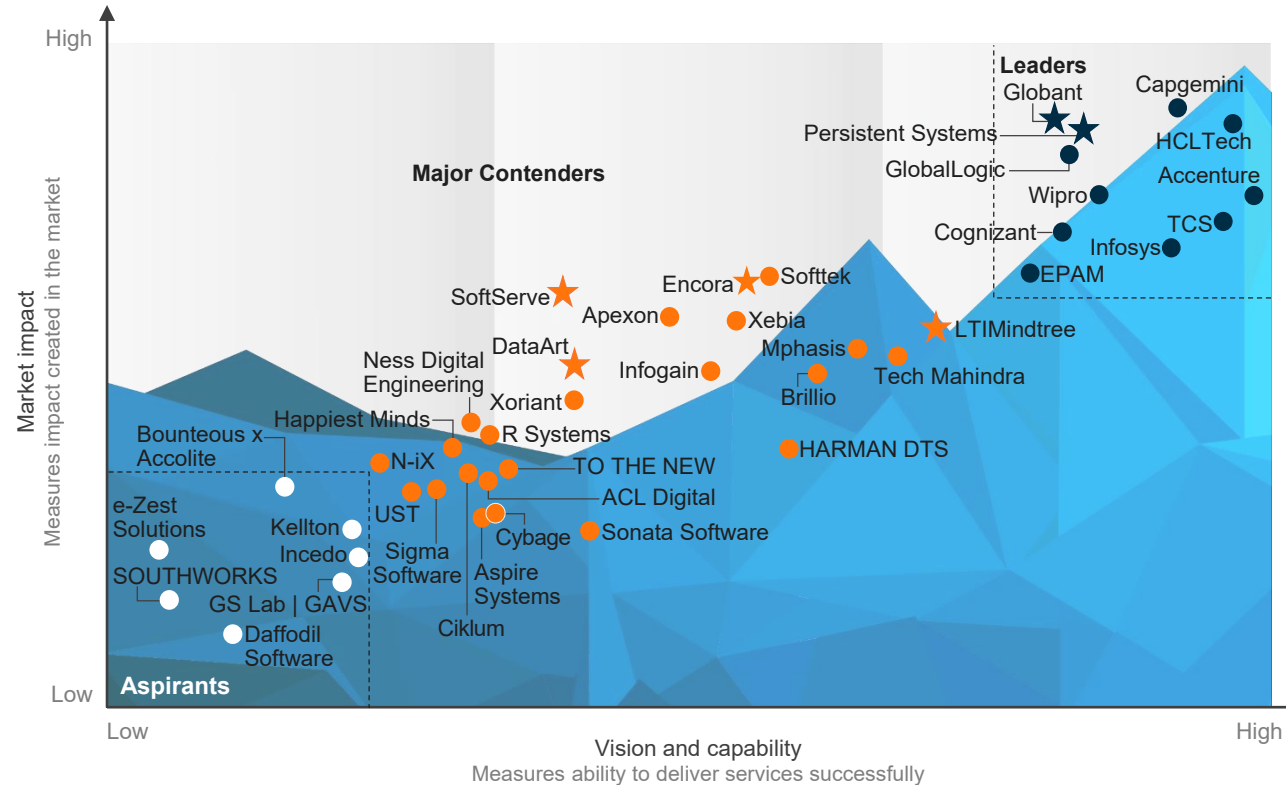
- Aspirants possess strong capabilities in specific technology areas and value chain elements; however, their global presence and ability to serve projects with wider scopes is limited
- They are making focused investments for enhancing their solutions portfolio, improving service enablement capabilities,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

Everest Group PEAK Matrix®

Software Product Engineering Services PEAK Matrix® Assessment 2024 | HCLTech 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)

HCLTech profile (page 1 of 4)

Overview

Vision and strategy

HCLTech envisions becoming an ideal digital transformation partner for its customers by providing expertise in software product engineering encompassing all stages of the software product life cycle. It intends to transform the software engineering space with the advent of emerging technologies such as generative AI, AR, VR, XR, and 5G, by leveraging its large client base and global presence. HCLTech aims to improve customer satisfaction by improving the success rate in each engagement by providing differentiated offerings and a fast-track GTM strategy and by utilizing its partner ecosystems.

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)

HCLTech profile (page 2 of 4)

Case studies and solutions

CASE STUDY 1

Helped a European technology enterprise by providing localization services.

Business challenge

The client was looking for a technology partner to develop a solution to help with legal product management in a specific country and offer all the required support services.

Solution and impact

HCLTech developed a solution by incorporating legal changes for delivered localization services, delivered maintenance services for existing country versions, provided support services, and offered user assistance. This resulted in reducing cost impact for the client by at least 50% and helped in reducing its R&D spend by 25%.

CASE STUDY 2

Helped a US-based healthcare provider to modernize its applications and products.

Business challenge

The client wanted a technology partner to help with the application modernization of its 160+ applications across the healthcare value chain and provide application and business process services for its end-users.

Solution and impact

HCLTech helped the client to modernize its applications and products and delivered multiple solutions by leveraging its design and development framework while providing end-to-end application maintenance and end-user support. This enhanced operational efficiency, optimized processes, and improved the productivity of the client, leading to a 30% cost saving across core healthcare processes.

Proprietary solutions (representative list)

Solutions	Details
AION™	A ML-based platform that provides customers with the capacity to build prototypes to solve business problems
AI Force	A dynamic suite of generative AI-powered solutions that provides intelligence across engineering workflows
Connected Assets in Regulated Environment (CARE)	A platform that focuses on the faster development of software and services for medical devices
Cloud Bridge Suite	A suite of independent solution accelerators built on agile, DevOps, and low-code/no-code principles that helps customers drive end-to-end cloud transformation
eDAT™	A framework for the automated testing of electronic devices that reduces testing costs, time-to-market, and defect leakage
Optics	A cloud cost optimization solution that leverages an advanced recommendation rule engine to help enterprises in cost saving up to 25% in cloud services spend
PICASSO™	A platform that enhances capabilities in developing and implementing digital service platforms and a connected ecosystem of assets
PLATFORM – X	A platform that enables brands to improve consumer loyalty and drive conversions through personalized omnichannel marketing
iDORAN™	An intelligent software framework that enables automatic images and documents correction, extraction, validation, enrichment, classification, and analysis of unstructured data using reusable modular components to uncover critical business insights

HCLTech profile (page 3 of 4)

Partnerships and investments

[REPRESENTATIVE LIST]

Key alliances and partnerships

Event name	Details
Adobe	A partnership that boosts creativity and enhances technology capabilities to provide digital experiences and improve analytical capabilities
AWS	A partnership that offers a dedicated AWS business unit to help enterprises accelerate their cloud transformation journey
Google Cloud Platform (GCP)	A partnership to help customers experience the speed, scalability, and innovation that GCP offers
IBM	An alliance to deliver digital application modernization, integrated application infrastructure autonomics and orchestration, and mainframe transformation to customers
Intel	A partnership that enhances expertise in continuous modernization to help enterprises accelerate their cloud business transformation journey and help build focused, innovative, and industry-tailored solutions for clients
Microsoft	A strategic partnership that helps enterprises leverage generative AI and develop joint solutions to improve outcomes and enhance business transformation
VMWare	A partnership to drive innovation, enable cloud infrastructure and business mobility, and accelerate the digital transformation journey of the customers
Tableau	A partnership to enable actionable data-driven business insights for enterprises across various verticals and geographies
SAP	A strategic services partnership to enable complex SAP transformation programs

Recent software product engineering investments

Investment	Details
ASAP Group	Acquisition to enhance capabilities around e-mobility, autonomous driving, and connectivity and improve competencies around automation, agile development, and testing and deployment of CI/CD pipelines
Quest Informatics	Acquisition to enhance capabilities around cloud-enabled aftermarket ERP, field service management, and digital parts catalog product suites, and expand presence in the digital aftermarket space
Starschema	Acquisition to enhance capability in data engineering and increase presence in the Europe region
Lab/CoE	Investments in setting up 100+ engineering labs and 20+ CoEs to enhance capabilities across AR, VR, generative AI, and 5G










HCLTech profile (page 4 of 4)

Everest Group assessment – Leader

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

- HCLTech has focused on farming existing client relationships, which has resulted in elevation of Annual Contract Value (ACV)
- The firm has a balanced presence across all major geographies and across the software value chain, enabling diversification and resilience during economic downturns
- It has a comprehensive partner ecosystem comprising hyperscalers, data and analytics players, other enterprise technology providers (automation, low-code no-code, cybersecurity), and academia
- HCLTech has been proactive in developing verticalized solutions as well as IP across pertinent themes including data engineering, cloud, automation, monitoring, AI/ML, and cybersecurity
- Clients appreciate HCLTech for its technical expertise (especially across software product development and testing), ability to bring innovative ideas/approaches (leveraging IP and accelerators) to engagements, and effective attrition management practices
- The firm actively leverages emerging deal constructs such as product carve outs, and has developed dedicated services / IP solutions tailored for private equity firms; it also makes significant use of innovative pricing models such as revenue sharing, risk-reward, and outcome-based pricing

Limitations

- Clients expect HCLTech to regularly update the progress made by staffed resources (especially offshore FTEs), hold strategic level meetings and communicate project KPIs more frequently, and craft better commercials for long-term engagements
- Clients have also highlighted that the firm should upskill its resources around the understanding (build and run) of the IP solutions being utilized during engagements, which will lower the issue resolution time and optimize service delivery

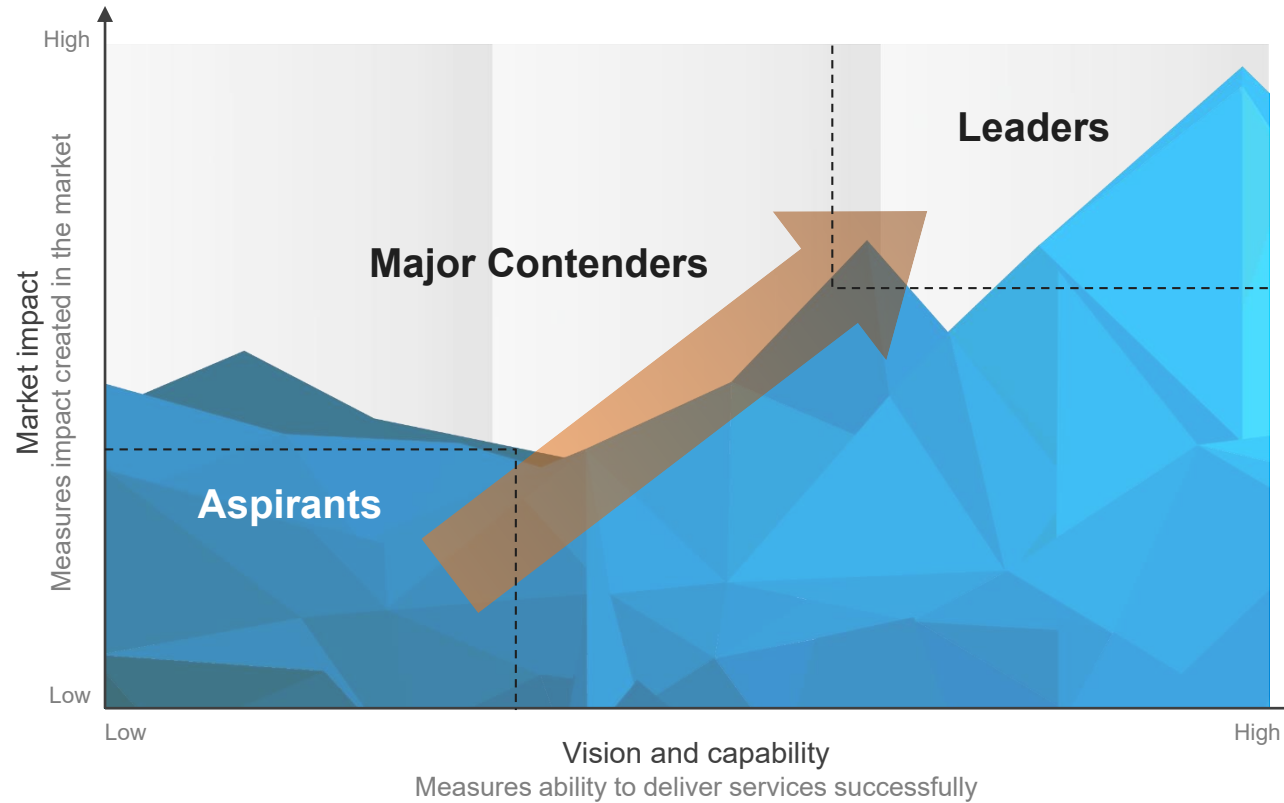
Appendix

PEAK Matrix framework

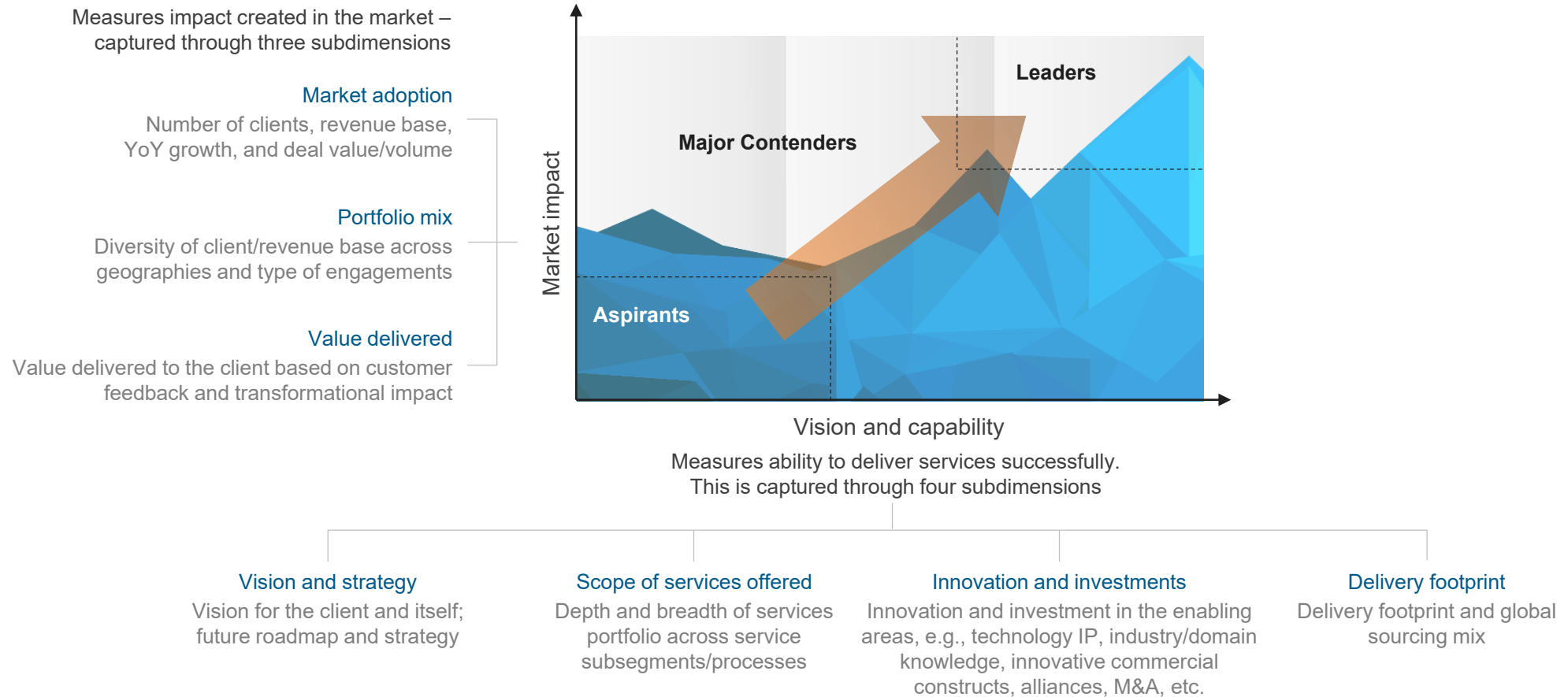
FAQs

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

Everest Group PEAK Matrix



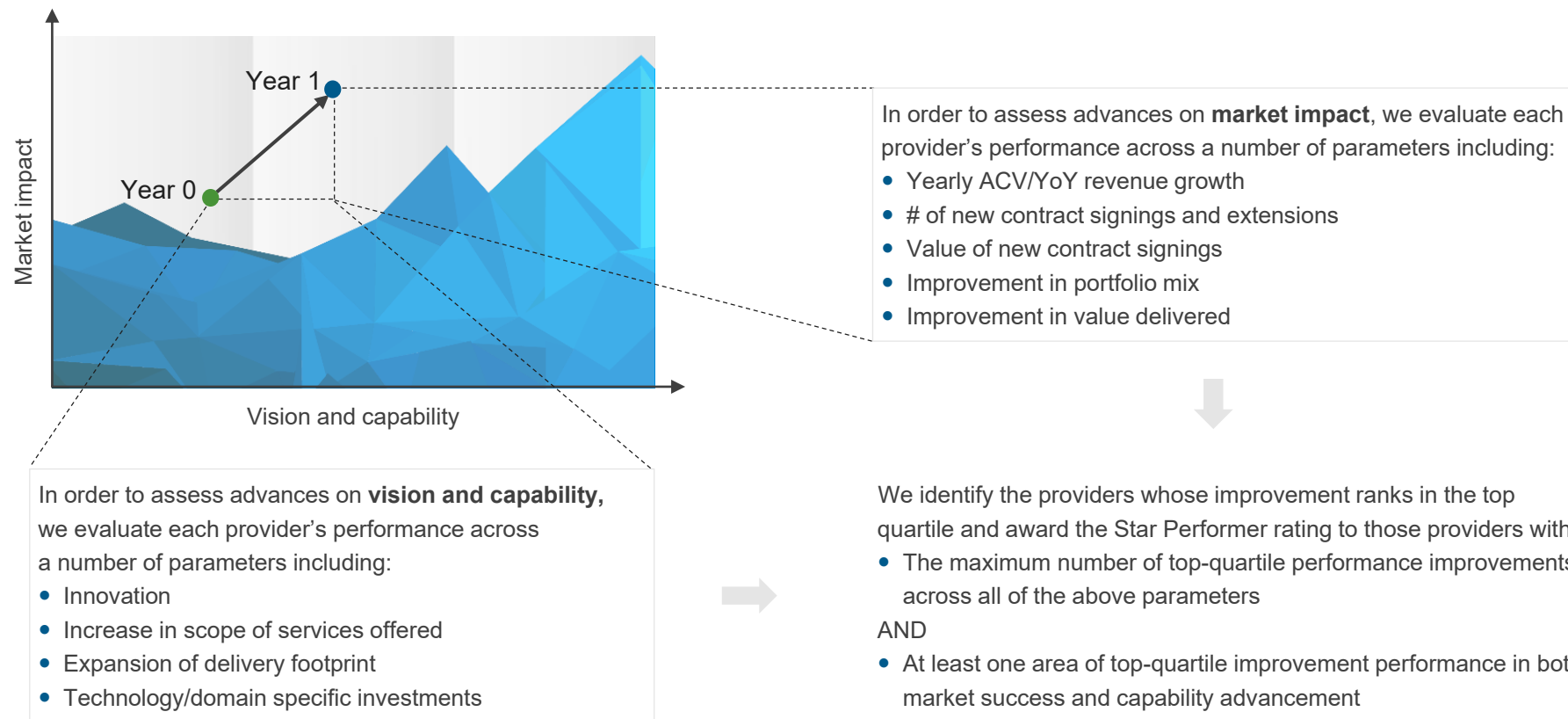
Services PEAK Matrix® evaluation dimensions



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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