

IDC MarketScape: Worldwide Data Modernization Services 2024 Vendor Assessment

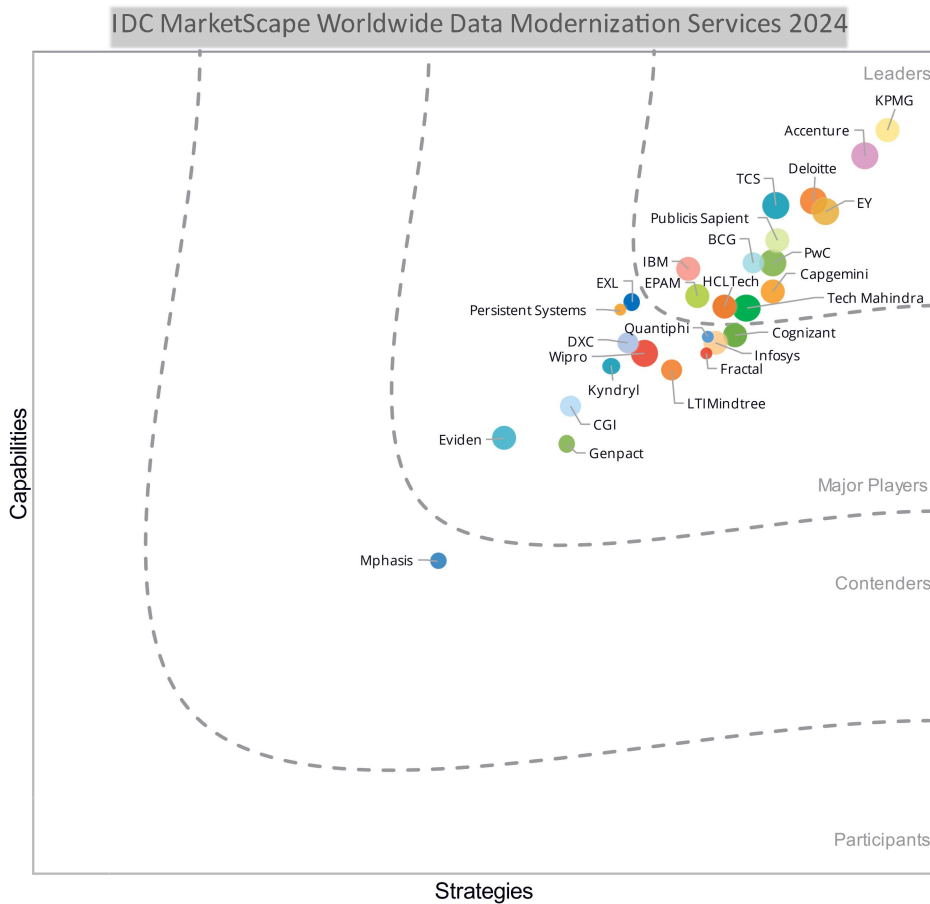
Jennifer Hamel

THIS IDC MARKETSCAPE EXCERPT FEATURES HCLTECH AS A LEADER

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Data Modernization Services Vendor Assessment



Source: IDC, 2024

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScope: Worldwide Data Modernization Services 2024 Vendor Assessment (Doc #US51234424).

IDC OPINION

This IDC study represents a vendor assessment of the 2024 data modernization services market through the IDC MarketScope model. This is the first time IDC has assessed this market. Vendors demonstrate success in the market by both clearly articulating their strategies for enabling clients' data modernization initiatives and readily demonstrating their current capabilities and proof points through existing client engagements.

As organizations look to become data-driven enterprises, they will need comprehensive enterprise intelligence strategies and architectures to ensure data becomes an asset that delivers business value. In *Four Planes of Enterprise Intelligence Architecture: A Conceptual View into the Data Plane, Data Control Plane, Data Analysis Plane, and Decisioning Plane* (IDC #US50793023, June 2023), IDC recommended that organizations focus their enterprise intelligence strategies to be top down from the decisioning plane to the data plane, as we have observed many organizations doing the opposite and ending up with projects resulting in great data management technology solutions that are disconnected from the ultimate goal of improving decision velocity. However, each plane depends on the performance of the planes below it.

IDC research across worldwide buyers of external enterprise intelligence services indicates that organizations are most challenged by capabilities related to the data control plane (e.g., data security and governance, data quality and access), which are particularly critical to the success of overall enterprise intelligence efforts. Foundational technologies such as data management, data infrastructure (including cloud, on premises, and/or hybrid), and data governance and control are focus areas for investment in the next 18 months. As capabilities in these areas mature, organizations are better positioned to move past foundational technology elements and invest in artificial intelligence (AI) to detect changes and identify long-term patterns from large data sets and event data streams, forge connections among disparate data stores, surface recommendations and actions to end users, and automate business processes.

In this assessment, IDC evaluated data modernization services vendors across scoring criteria and collected feedback from customers on their perception of the key characteristics and the capabilities of these vendors. Key findings include:

- The most critical vendor attribute for successful data modernization services engagements, according to IDC's *Data Modernization Services Buyer Perception Survey*, was "achievement of desired business outcomes." The perceived priority of this attribute over all others is consistent with other vendor evaluations IDC has completed in adjacent markets such as AI services, intelligent automation services, and business analytics services. As such, a critical aspect of this assessment involved evaluation of vendors' case studies and examples of business outcomes delivered to their data modernization services clients.
- When customers were asked about the primary business objective driving their engagement of their data modernization services vendor, at a worldwide level, the most frequent responses were "increased operational efficiency," "improved business agility," and "revenue growth." One-quarter of the customers we surveyed said they achieved 30% or greater improvement in measurable KPIs from their data modernization services engagement.
- The top-rated vendor attribute by customers, in aggregate, was the ability to "provide data engineering (movement, replication, matching, transformation, federation, and cleansing)," followed by the ability to "provide solutions using our preferred technology providers." This aligns with IDC's evaluation of offering strategies around data plane and data control plane as top areas of strength on average across data modernization services vendors.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

This research includes analysis of data modernization services providers with global scale and broad portfolios spanning IDC's research coverage. This assessment is designed to evaluate the characteristics of each firm — as opposed to its size or the breadth of its services. In determining the group of vendors for analysis in this IDC MarketScape, IDC considered the following set of inclusion criteria:

- Worldwide data modernization services revenue of at least \$100 million over the last calendar year, with revenue generated in each major geographic region (i.e., Americas, EMEA, and Asia/Pacific)
- Offerings across the life cycle of data modernization services (e.g., project-based, managed, support, and training)
- Offers its own software (e.g., tools, platforms, or other proprietary assets) as part of data modernization services portfolio
- Go-to-market alliances with a range of data management software providers

ADVICE FOR TECHNOLOGY BUYERS

- **Maturity and business case assessment.** Expect services firms to assess your organization's data maturity and meet you where you are on your data modernization journey. Whether your current focus happens to be legacy data migration and rationalization, implementing new practices for data governance and DataOps, building data products for internal or external use, or bolstering your data foundation for AI or GenAI adoption, a good services partner will help you focus on what business outcomes you could achieve through better decisions, then work backward to determine the right data plane and data control plane investments to support better decision intelligence. Look for consulting frameworks and ROI models that focus on achieving your specific business objectives in the short term — efficiently and cost effectively — while preparing for the next stage of enterprise intelligence transformation. But beyond frameworks, be sure your provider truly understands your organization's business context and technology landscape and that its vision and approach align with your objectives in terms of speed, cost, and resource requirements. Ask providers to share examples of data modernization work they have done with organizations like yours, and then evaluate both the quality of the outcomes delivered and the provider's understanding of your organizations' data modernization needs.
- **Modern data architecture, delivery tools, and platforms.** Seek providers that demonstrate an understanding of how to modernize your data environment while leveraging your existing technology investments, create architectures that connect the various technology components, and address common services needs across planes of the enterprise intelligence architecture. IDC's extensive research has not yet identified a single technology vendor that delivers all necessary technology components of the enterprise intelligence architecture, nor do we believe these components must be contained within a single platform. That said, our research shows that many buyers of external services for enterprise intelligence initiatives seek preconfigured technology stacks to minimize technical complexity. Seek a provider that has invested in platforms, workbenches, and other IP assets that accelerate the implementation process and deliver additional value. These can include API connectors for partner software solutions; simplified provisioning, monitoring, and management of system resources; security, integration, and governance across diverse data sources; support for knowledge management and collaboration among different data stakeholders; automated workflows; and FinOps capabilities. Also take note of how providers use AI and GenAI to accelerate and improve their delivery of data modernization services.

- **Stakeholder alignment.** According to IDC's *Data Modernization Services Buyer Perception Survey*, the most common project sponsors for data modernization services were CIOs/CTOs, information technology (IT) directors and managers, and chief analytics/data officers, who, combined, made up nearly 60% of responses. However, customers also rated "functional insights and competency" as one of the top 10 most critical attributes for data modernization services engagement success. Choose a vendor that can work across IT, business, and data teams to address key data modernization pain points, such as breaking unnecessary data silos, standardizing business processes, implementing data governance policies, and improving data quality and availability. Seek out vendors that not only speak with budget holders but also communicate effectively with engineering teams and end users, who need to consume high-quality data at speed and scale for business decision-making, through interviews, workshops, and change management programs.
- **Expertise and working relationship.** A common theme across the buyer interviews and surveys IDC conducted for this assessment was the importance of vendors' demonstration of expertise in domain, data, and technology in selecting their data modernization services partners. Another common theme was that having enough skilled resources to meet aggressive project timelines or to address unique expertise needs can be a challenge. Look for vendors that can provide the delivery scale you need, as well as the flexibility to adjust as project needs change while maintaining continuity and transferring knowledge to your internal teams.
- **Vendor selection.** Use this IDC MarketScape in contract negotiations and as a tool to not only short list vendors for data modernization services bids but also evaluate vendors' proposals and oral presentations. Make sure you understand where these players are truly differentiated and take advantage of their expertise, technical, industry base, or otherwise.

FEATURED VENDOR PROFILE

This section briefly explains IDC's key observations resulting in HCLTech's position in the IDC MarketScape. The description here provides a summary of the vendor's strengths and challenges.

HCLTech

After a thorough evaluation of HCLTech's strategies and capabilities, IDC has positioned the company in the Leaders category in this 2024 IDC MarketScape for worldwide data modernization services.

HCL Technologies (HCLTech) delivers data modernization services primarily through its Data and AI practice, part of the company's digital business services, which helps clients define their visions for data-driven and AI-enabled business transformation, including strategies to achieve these goals. The Data and AI practice organizes its offerings into three main pillars: "Modernize Data," "Simplify Insights," and "Scale AI." HCLTech's offerings within "Modernize Data" include data estate modernization, intelligent data management, consumable data products, and smart operations, underpinned by infrastructure modernization. HCLTech uses proprietary solutions and frameworks, such as ADvantage Migrate, ADvantage Data Mesh, Gateway Suite (legacy code and database schema conversion), Data Patrol (data governance and quality), Gatekeeper (automated data testing), Meta Wisdom (knowledge graph), Advantage Seiri (data management operations), and AIOps (AI-infused data observability), to accelerate its delivery of data modernization services. The company has also incorporated GenAI capabilities into its data modernization services, such as automation conversion of scripts and semantic models, unstructured data processing, and industry-specific metadata comparisons.

Strengths

IDC considers HCLTech's strategies around offerings, innovation, and go-to-market alliances as key strengths. Customers highly regard the company's ability to provide data modernization strategy and target operating model, migrate and rationalize data across legacy and cloud environments, provide technical insights and competency, and address issues around data availability and latency.

Challenges

IDC believes HCLTech's marketing strategy could be improved by addressing a broader range of themes in the company's data modernization services market messaging. HCLTech could also benefit from providing more resources to enable clients' internal data modernization programs, such as training services.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to

provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

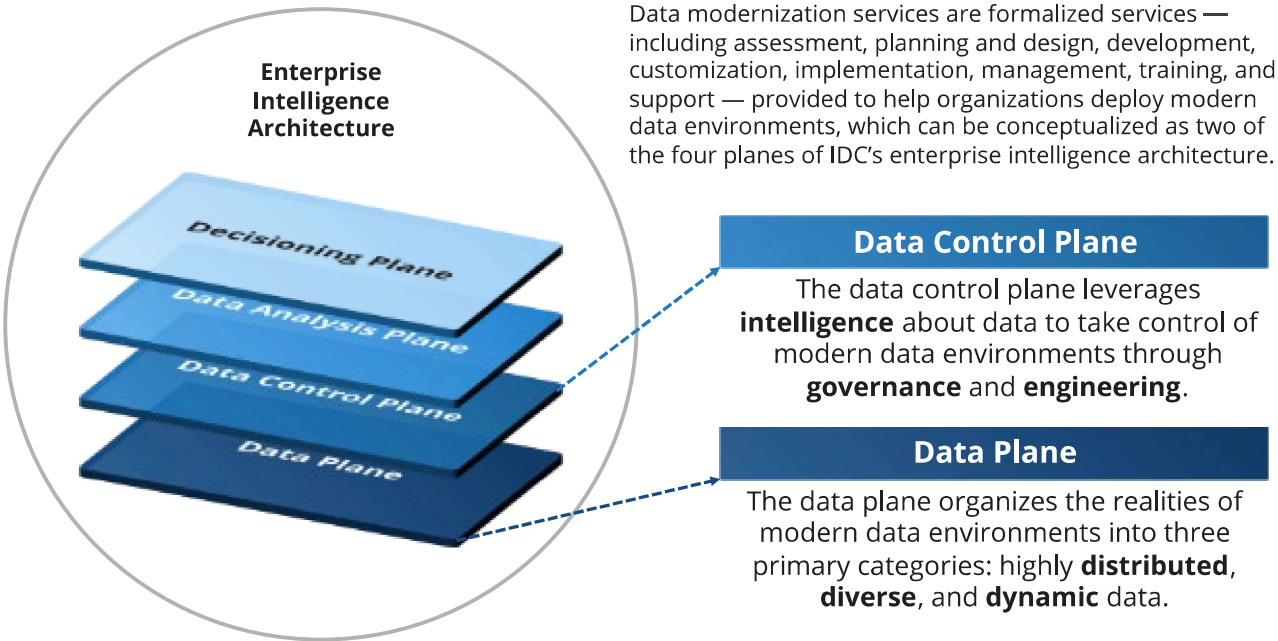
Market Definition

IDC defines data modernization services as formalized services — including assessment, planning and design, development, customization, implementation, management, training, and support — provided to help organizations deploy modern data environments.

IDC conceptualizes the enterprise intelligence architecture as having four planes: the data plane, the data control plane, the data analysis plane, and the decisioning plane. For more information, see *Four Planes of Enterprise Intelligence Architecture: A Conceptual View into the Data Plane, Data Control Plane, Data Analysis Plane, and Decisioning Plane* (IDC #US50793023, June 2023). This assessment focuses on services around two of the four planes of the enterprise intelligence architecture (see Figure 2).

FIGURE 2

Data Modernization Services



Source: IDC, 2024

Detailed definitions of the data management software tools and platforms that are relevant for Data Modernization Services engagements are available in *IDC's Worldwide Software Taxonomy, 2024* (IDC #US52000924, April 2024). This assessment does not cover services related to deployment of BI/analytics, AI, or intelligent automation software.

Customer Perceptions of Data Modernization Services Vendors

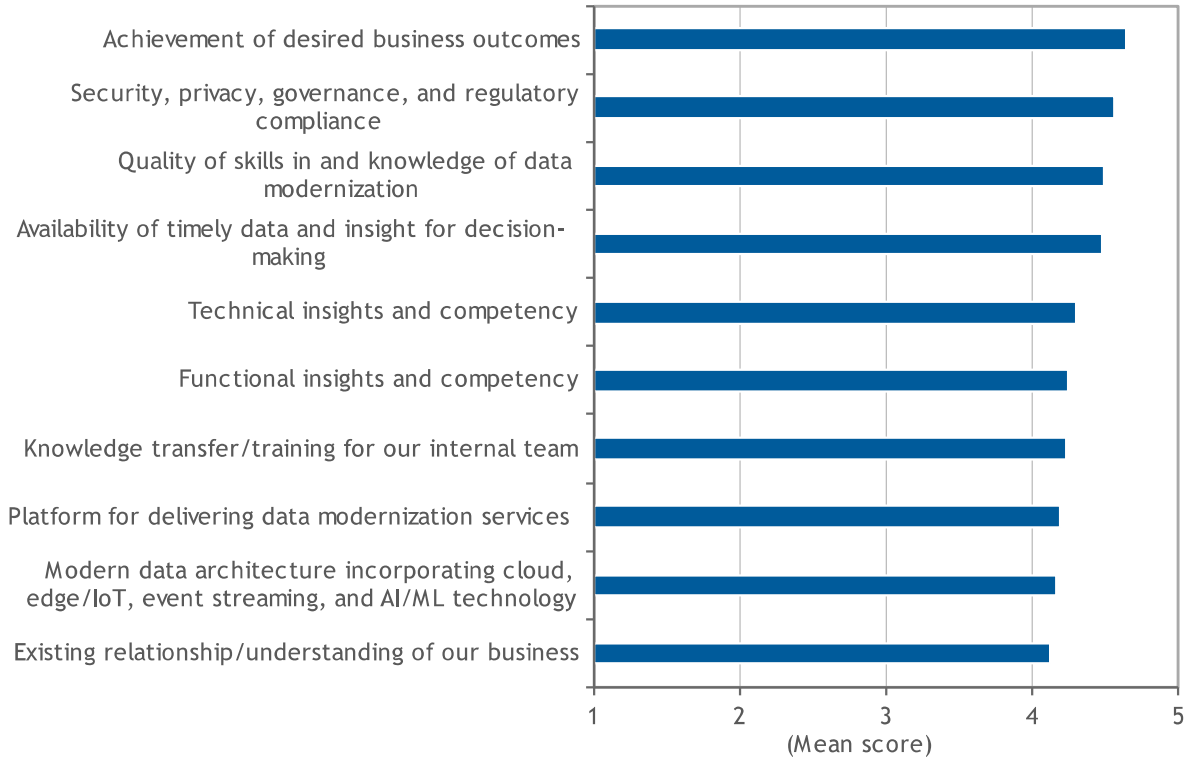
A significant and unique component of this evaluation is the inclusion of the perceptions of data modernization services buyers of both the key characteristics and the capabilities of the vendors evaluated. The buyers participating in IDC's *Data Modernization Services Buyer Perception Survey* have partnered with at least one of the participating vendors directly on a data modernization services engagement within their company. The survey findings highlight key areas where buyers expect data modernization services providers to showcase a range of capabilities. The buyers consider these capabilities a must-have for data modernization services to be able to fulfill the requirements of many business and IT issues that challenge the buyers.

Figure 3 illustrates the order of factors important for a successful data modernization services engagement for the data modernization services customers surveyed in 2024. Survey findings suggest that the ability to achieve desired business outcomes by the consulting and delivery teams working on a data modernization services engagement is the most critical factor for the successful completion of the engagement. Customers also indicated a vendor's ability to provide security, privacy, governance, and regulatory compliance; provide quality skills in and knowledge of data modernization; provide availability of timely data and insight for decision-making; and provide technical insights and competency to be among the most critical attributes for an engagement's success.

FIGURE 3

Top 10 Factors for Successful Data Modernization Services Engagements, 2024

Q. For a data modernization services engagement to be successful, please indicate the importance of each of the following characteristics.



n = 69

Note: Mean scores are based on a scale of 1–5, where 1 is highly detrimental to success and 5 is essential to success.

Source: IDC's *Data Modernization Services Buyer Perception Survey, 2024*

LEARN MORE

Related Research

- *Worldwide Enterprise Intelligence Services Forecast, 2024–2028* (IDC #US51423624, July 2024)
- *The Professional Services Opportunity in Enterprise Intelligence Architecture* (IDC #US50755424, June 2024)
- *Data Management Services Findings from Enterprise Intelligence Services Survey, 2023* (IDC #US50755224, January 2024)
- *IDC FutureScape: Worldwide Services 2024 Predictions* (IDC #US51284223, October 2023)

- *IDC FutureScape: Worldwide Future of Enterprise Intelligence 2024 Predictions* (IDC #US51293423, October 2023)
- *Market Analysis Perspective: Worldwide Enterprise Intelligence Services, 2023* (IDC #US50081723, September 2023)
- *IDC Market Glance: Enterprise Intelligence Services, 3Q23* (IDC #US50754823, August 2023)
- *Four Planes of Enterprise Intelligence Architecture: A Conceptual View into the Data Plane, Data Control Plane, Data Analysis Plane, and Decisioning Plane* (IDC #US50793023, June 2023)

Synopsis

This IDC study represents a vendor assessment of the data modernization services market through the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that explain success in the data modernization services market. This IDC MarketScape covers a variety of vendors participating in the data modernization services space. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and to one another and highlights the factors expected to be the most influential for success in the market in both the short term and the long term.

"Whether driven by AI adoption or not, data modernization services are a critical component of organizations' strategies to become more efficient, agile, and growth-oriented businesses," says Jennifer Hamel, senior research director, Enterprise Intelligence Services at IDC. "This study spotlights 27 vendors that have established themselves as trusted partners for navigating the complexities of data modernization and continue to expand and evolve their portfolios to meet organizations' future needs across the enterprise intelligence architecture."

ABOUT IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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