

IDC MarketScape: Canadian AI Services 2025 Vendor Assessment

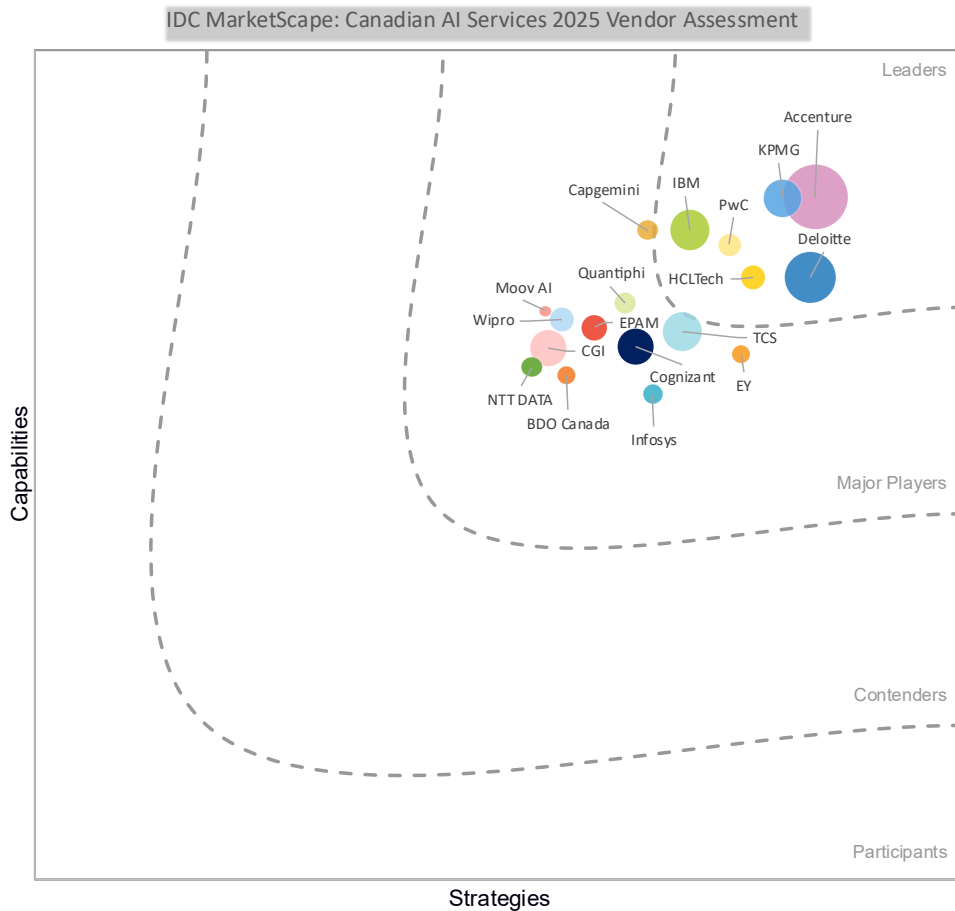
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THIS IDC MARKETSCAPE EXCERPT FEATURES HCLTECH AS A LEADER

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape: Canadian AI Services 2025 Vendor Assessment



Source: IDC, 2025

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

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Canadian AI Services 2025 Vendor Assessment (Doc #CA51802124e).

IDC OPINION

Faced with a myriad of factors further contributing to the declining ease of doing business, Canadian organizations are increasingly turning to technology to remain competitive. According to IDC Canada's June 2025 *IT Decision Makers Survey*, cybersecurity, economic uncertainty, inflationary issues, and changing regulations are the top business issues affecting organizations today. Artificial intelligence (AI), with its potential to drive productivity gains and create new revenue streams, has held the limelight among C-suites. The survey also indicated that 43% of Canadian organizations will maintain AI-related initiatives as a top investment area for the next 12 months.

Although predictive and interpretive AI have long existed in various forms, generative AI (GenAI) has been received with strong interest from Canadian organizations over the past year. For most of 2023, organizations had started experimenting with GenAI in pilots and proofs of concept (POCs). Companies witnessed a shift in momentum, from experimentation to production ready implementation, over 2024. Executive leaders are currently placing greater emphasis on addressing hurdles to scale, from point solutions to enterprisewide adoption. IDC's April 2025 *Future Enterprise Resilience and Spending Survey* indicated that 79% of Canadian organizations have already introduced GenAI to production or plan to in the next 12 months. This reflects a nearly twofold jump from 40% in April 2024.

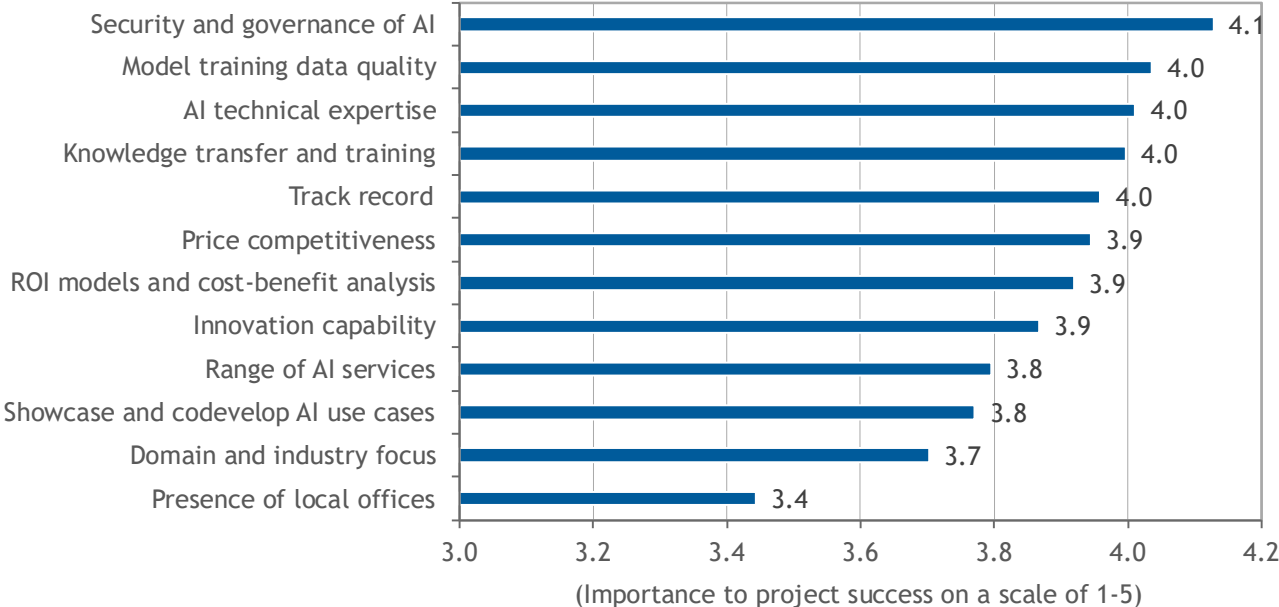
The intent to leverage AI to drive productivity gains is matched by extensive investments among Canadian organizations. IDC's March 2025 *Vertical AI Use Case Survey* indicated that 75% of Canadian buyers across industries incorporate GenAI as a required or important part of the initiatives addressing core operational processes. The study indicates that buyers intend to significantly increase spending over the next two years, growing by about 17% YoY. Key areas for investment include AI development, security and compliance, model training and optimization, and data management. The survey showed that organizations predominantly seek to utilize a combination of internal and external resources, with greater inclination toward external resources for model selection and integration steps. Among external resources, IDC research indicates that the top 3 strategic partners for AI over the next 12 months would be

GenAI model and tool providers, cloud infrastructure platforms, and IT consulting and systems integration service vendors.

Engaging with service providers can be beneficial for a range of reasons. Repeat exposure to problem statements in the industry provides these vendors the opportunity to develop solutions that incorporate best practices and have been tested over engagements. IDC Canada's March 2024 *IT Advisory Panel Survey* was conducted to understand a consultant's characteristics that are important to Canadian buyers for AI services. According to the survey, the most important characteristics are the security and governance of AI, data quality for model training, technical expertise with AI, and knowledge transfer and training for internal teams (see Figure 2). Across industries certain additional characteristics have been highlighted as a priority. For example, manufacturing and resources companies prioritize innovation, distribution services companies prioritize ROI/cost-benefit models, infrastructure companies prioritize domain expertise, and public services companies prioritize one's track record. While creating repeatable successful solutions is a good starting point, successful service providers customize projects to fulfill the unique needs of clients across domains.

FIGURE 2

Consultant's Characteristics Important to AI Project Success



Source: IDC, 2025

Service providers have been at the forefront of disruption with AI, both transforming internal operating models and enabling clients to navigate complexities across the AI life cycle. Most vendors today embed AI into traditional service delivery, aiding clients

with accelerated project delivery, reduced complexity, and improved productivity. They are investing in building IP and accelerators to support their workforce, in addition to offering AI-powered services and solutions to clients.

On the other hand, service providers are playing an active role in helping companies adopt and scale AI within their operations. They offer services that address a broad spectrum of needs, including AI strategy, use case prioritization, build or buy decisioning, governance, solution development, implementation and scale, and managed services. While most vendors touch upon the life cycle in some form, they tend to build on their existing competencies to offer differentiated propositions. Many vendors, for example, bring broad IT competencies to help establish a foundation for AI. Certain analytics and AI experts offer solutions to address complex problem statements. Some vendors leverage strategic expertise for AI governance and operating models. Few vendors utilize business process expertise to focus on AI-powered automation.

Another means of differentiation is seen with the solutioning approach. Most vendors leverage strong ecosystems for partner-enabled solutioning, while some prioritize in-house IP. Geographic presence and regional focus are also contributing factors, as many vendors utilize global scale and resources to drive AI innovation and project delivery while some maintain a targeted approach to solving challenges in a local reality. Vendors with diverse propositions have found success in the AI services market, further developing capabilities as they cater to the unique needs of their clientele.

While the AI services market is still evolving, vendors exhibit varying levels of maturity with supporting AI services delivery. Most vendors today currently offer a portfolio of point solutions, often as part of an integrated AI portfolio. Few vendors provide an end-to-end platform capable of designing, building, and orchestrating AI solutions and agents. These vendors are further investing in advancing their platforms to become capable of features such as multi-agent orchestration.

IDC believes that as asset-based delivery further gains traction, service providers will be increasingly assessed on outcomes they deliver. More organizations will seek to establish AI operating models that enable new ways of doing business. Subsequently, value realization from organizationwide initiatives will gain emphasis, requiring clear linkage to tangible measures representing the impact on a buyer's financials.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

This research includes the analysis of AI services providers in Canada with broad portfolios spanning IDC's research coverage of the AI services market. In determining

the group of vendors for analysis in this IDC MarketScape, IDC considered the following set of inclusion criteria:

- Earned more than C\$10 million in annualized revenue from Canadian clients for AI services in 2024
- Had a minimum of 50 dedicated billable resources for AI services in Canada, working with Canadian clients
- Provided offerings across the life cycle of business and IT services (e.g., project-based, managed, support, and training services)
- Addressed a range of industry verticals and business functions with AI service offerings and solutions
- Have an active Canadian go-to-market (GTM) strategy

ADVICE FOR TECHNOLOGY BUYERS

- **Maturity assessment.** Consider your organization's strategy and business objectives before selecting any technologies. Just because GenAI and agentic AI currently dominate technology and business conversations, it does not mean that these capabilities are the right solutions to your business problems or that your organization is ready to take full advantage of them. A good partner will work with you to understand your goals and challenges first, then help you evaluate whether and when you can expect to realize business benefits from AI investments, considering your available talent, data, and technology resources.
- **AI-fueled business operating plan.** Becoming an AI-fueled organization will require integrating AI into your business strategy, focusing on impactful AI use cases, establishing unified governance, and planning for an AI-augmented workforce. If these are areas where you need support, look for providers with approaches that include business transformation consulting, ROI and business value analysis, responsible AI and governance frameworks, workflow reengineering to support human-AI collaboration, and resources for reskilling and enabling employees. Seek out partners that can translate between technical and business concepts to align stakeholder priorities and expectations and can communicate effectively with your employees through workshops and change management programs.
- **AI technology operating model.** A cost-effective and secure scaling of AI capabilities across an organization requires a unified technology approach that incorporates fit-for-purpose infrastructure; AI-ready data; a platform integrating data, model, and software development life-cycle activities; and AI-infused applications and workflows. If your organization is early in its transition to this type of approach, seek out providers with expertise in AI technology foundations and

reference architectures, computational resource optimization, data modernization, platform engineering, and the design, prototyping, and industrialization of AI applications. If your AI technology operating model is more established, choose providers that can integrate seamlessly with your environment and internal teams and can help you optimize deployment efficiency.

- **Skills.** The range of expertise needed to operate as an AI-fueled organization continues to evolve rapidly. Adoption of agentic AI technologies will inevitably create new job roles and skills requirements for organizations and services providers alike. Select a partner with skilled resources and platform certifications that fill gaps or enhance your existing AI capabilities, integrate well with your internal teams, and adapt as your skill needs change. Consider partnering with a services provider through an AI center-of-excellence (COE) construct to gain ongoing access to best practices and recommendations, innovation and R&D resources, on-demand AI talent pools, and managed services and support to move AI solutions from experimentation into production.
- **Innovation and accelerators.** Experimentation will remain a necessary part of the journey to becoming an AI-fueled organization. Services partners can provide structure, organization, and insight to reduce innovation risks and deliver more predictable and tangible outcomes. To accelerate moving from proof of concept to production, consider service vendors that both partner with your chosen technology providers and have codified their own domain knowledge and development methodologies into repeatable blueprints and design patterns. Also, consider the proprietary software assets that service providers may propose as part of their AI service offerings to augment products from your technology provider ecosystem and/or automate business, IT, or operations workflows. While a provider's "prebuilt" solution may only address 60–80% of your organization's needs, it may be a better option than a fully customized solution, especially for more common use cases.
- **Vendor selection.** Use this IDC MarketScape as a companion in contract negotiations and as a tool to not only short-list vendors for AI 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 vendor is evaluated against each of the criteria outlined in the Appendix; the description here provides a summary of the vendor's strengths and challenges.

HCLTech

HCLTech is positioned in the Leaders category of this 2025 IDC MarketScape for Canadian AI services.

HCLTech, a global technology company based in India, specializes in software development, digital transformation, engineering, and consulting services. With operations spanning over 60 countries, the company has a workforce of more than 223,000 professionals across 220 delivery centers worldwide. Emphasizing innovation, HCLTech operates over 70 labs globally. In Canada, HCLTech has been active for 16 years, managing 4 global delivery centers located in Moncton, Mississauga, Edmonton, and Vancouver. It plans to open an AI collaboration center in Mississauga, in addition to a delivery center in Winnipeg. The company employs around 12,000 professionals supporting its Canadian operations, including the 2,600 based in Canada.

HCLTech supports clients with an AI-led approach to fulfill three major objectives: achieve competitive advantage with industry expertise, data, and agility; drive sustainability with eco-conscious transformation and sustainable technologies; and create new revenue streams leveraging innovation and business model reinvention. The company intends to utilize its client base from HCL Software to target midmarket clients with its productized services. HCLTech supports more than 40 clients for AI services in Canada. Its Toronto chapter focuses on AI applications in wealth management and retail, exploring use cases such as dynamic pricing, while its Calgary chapter works with oil and gas clients to explore solutions for AI-driven operational intelligence, predictive maintenance, and process optimization.

HCLTech's AI portfolio includes solutions such as AI Foundry, AI Labs, AI Engineering, and AI Force. AI Foundry helps HCLTech implement AI solutions for its clients, incorporating prebuilt AI templates, software, infrastructure, ecosystem tools, responsible policies and governance, DataOps, and AIOps. The platform packages over 50 assets and is built with loosely coupled architecture that is flexible to meet the unique needs of its clients. HCLTech has six global AI labs in Santa Clara, New Jersey, London, Munich, Noida, and Singapore. These labs facilitate client collaboration to drive business transformation by reengineering value streams with production-ready AI use cases and agentic solutions, such as AI-powered clinical advisor or legal AI assistant. Its AIoT and Enterprise NeXT business unit supports over 400 clients with IoT use cases, focusing on edge, operational technology, and physical AI applications. Its AI Engineering team designs custom AI chips that are built for purpose, manufactured at its labs in Bangalore. It utilizes AI Force to transform the way it offers technology services. This is a platform that incorporates AI and GenAI capabilities to drive automation across services, from software development to support and business and IT operations.

Globally, HCLTech has over 25,000 dedicated resources for AI services. Several of its staff hold data and AI-related certifications for various platforms: Google Cloud (2,100+), AWS (600+), Microsoft Azure (500+), Snowflake (380+), Databricks (65+), and NVIDIA (60+). It offers several AI solutions with its partners, such as insurance claims assist and citizen advisor with AWS, agents as a service with Google Cloud, smart migration and smart operations with SAP, and connected AI devices with Dell. It has more than 100 domain-specific offerings across industries such as financial services, healthcare and life sciences, manufacturing, and retail.

HCLTech proposes value creation for clients that is differentiated with three aspects of its proposition: industry expertise and solutions; breadth of capabilities, from engineering silicon chips to cloud transformation; and HCL Software products. Its approach to AI in Canada is industry focused, driving client collaboration to identify and codevelop AI-led domain-targeted solutions. It stands out with its client centricity, tailoring engagement and commercial models to suit varying business contexts.

Strengths

HCLTech's strategy to provide a comprehensive AI services portfolio, ranging from chip design to AI services in the cloud, is viewed as a strength. Its solutions to offer an AI operating model and industry-focused approach are also among its strengths in Canada.

Canadian organizations value several aspects of HCLTech's approach to AI. Buyers familiar with its services share positive feedback on its capabilities, including the ability to showcase and codevelop AI use cases, range of AI services, domain and technical expertise, and innovation.

Challenges

While those aware of its services hold HCLTech in a strong light, many buyers in Canada are not as familiar with its AI services. Although it has a good Canadian customer base, growth of its AI services revenue has not been very strong.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under

this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

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.

Note: All numbers in this document may not be exact due to rounding.

Market Definition

IDC defines artificial intelligence (AI) as systems that learn, reason, and self-correct. These systems hypothesize and formulate possible answers based on available evidence, can be trained through the ingestion of vast amounts of content, and automatically adapt and learn from their mistakes and failures. AI systems use a variety of technology components across hardware (e.g., AI servers, AI storage, AI infrastructure as a service, AI network, and AI devices) and software (e.g., AI platforms, AI-enabled applications, and AI system infrastructure software). IDC's definition of AI includes three broad categories of capabilities: generative, predictive, and interpretive.

AI service providers engage with clients to help deploy and use AI systems through business services and IT services:

- **Business services** include AI-related business consulting and business process outsourcing services.

- **IT services** include IT consulting, systems and network implementations, IT outsourcing, application development and management, IT deploy and support, and IT education and training related to AI applications and infrastructure spending.

Underlying data services are a critical component of creating AI systems, serving as the base for initial analysis and learning. Data services are highly specific to the function and process of the AI system and may come from a wide range of sources, both unstructured and structured. These data services include the processes needed to ingest, organize, cleanse, and utilize the data within AI-enabled applications.

For detailed definitions of the markets included within business services and IT services, see *IDC's Worldwide Services Taxonomy, 2025* (IDC #US52282025, March 2025).

LEARN MORE

Related Research

- *IDC MarketScape: Worldwide Artificial Intelligence Services 2025 Vendor Assessment* (IDC #US52978525, July 2025)
- *Worldwide and Canada Comparisons on the Impact of GenAI Adoption and Spending Plans on Professional and Managed Services Spending in 2025* (IDC #CA53211025, February 2025)
- *Canadian 2025 Predictions: Becoming an AI-Fueled Business* (IDC #CA53127825, January 2025)
- *They Came, They Saw, They Adopted — Public Cloud and Generative AI in the Canadian Market* (IDC #CA52648124, October 2024)
- *IDC Survey: Canadian AI Services, 2024* (IDC #CA51614224, September 2024)
- *IDC MarketScape: Canadian AI Services 2022 Vendor Assessment* (IDC #CA48060822, September 2022)

Synopsis

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

"AI is changing the way organizations approach technology in Canada across paradigms. More companies, today, are looking to strengthen their IT backbone to scale AI programs and derive value from their investments. AI is gaining traction as a means to address age-old concerns around productivity, in addition to remaining competitive in the global economy," says Sreenivas Duvvuri Venkata, research analyst, Enterprise Services at IDC. "Service providers are playing a critical role as a success partner for Canadian companies, acting as a sounding board for innovation, a driver of value at scale, and a no-nonsense reality check, as needed."

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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