Everest Group®

Everest Group Application Transformation Services for AI-enablement PEAK Matrix® Assessment 2025

Focus on HCLTech

March 2026

PEAK MATRIX®

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Introduction

Enterprises worldwide are racing to unlock AI-driven productivity, insight, and growth, but most still run mission-critical applications on legacy, siloed environments that cannot support modern AI pipelines. As modernization priorities shift from cost takeout and cloud adoption to full AI readiness, Application Transformation Services (ATS) for AI enablement have emerged as a strategic imperative. This next wave of transformation focuses on refactoring legacy code, migrating to cloud-native, API-first architectures, and establishing governed, real-time data flows, foundations necessary for gen AI copilots, agentic automation, and advanced analytics to operate safely at scale.

The market is now at an inflection point; enterprises that successfully build scalable, AI-ready application stacks are beginning to pull ahead, turning technology architecture into a source of competitive differentiation.

In the research, we present an assessment and detailed profiles of 33 application transformation service providers featured on the Application Transformation Services for [Application Transformation Services for AI-enablement PEAK Matrix® Assessment 2025].

The assessment is based on Everest Group's annual RFI process for calendar year 2025, interactions with leading application transformation service providers, client reference checks, and an ongoing analysis of the application transformation services market.

The full report includes the profiles of the following 33 leading ATS for AI-enablement providers featured on the Application Transformation Services for AI-enablement PEAK Matrix:

- **Leaders:** Accenture, Capgemini, Cognizant, Deloitte, HCLTech, IBM, Infosys, TCS, Tech Mahindra, and Wipro
- **Major Contenders:** Apexon, Aspire Systems, CI&T, Datamatics, DXC Technology, Encora, HTC Global Services, Kyndryl, LTIMindtree, Mastek, Mphasis, Nous Infosystems, Orion Innovation, SLK, an Altimetrik company, Sonata Software, UST, and Visionet
- **Aspirants:** 3i Infotech, Bits in Glass, Dexian IT Solutions, Innominds, Intellias, and Microland

Scope of this report

Geography: global

Industry: market activity and investments of 33 leading application transformation services for AI-enablement providers

Services: application services

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Scope of the evaluation (page 1 of 2)

Definition

Application transformation for AI-enablement refers to modernization of existing applications to integrate Artificial Intelligence (AI) capabilities. This involves upgrading technology, processes, and user interactions to embed AI within the application landscape. Our research explores how Application Transformation Services (ATS) enable enterprises to modernize their applications for AI adoption, leveraging various transformation methods across different source and destination environments (not exhaustive) as indicated below:

Source	Destination
Bespoke, legacy, and packaged/COTs applications	Cloud-based/SOA based/web applications
Database and cloud infrastructure	New/upgraded databases and new/upgraded cloud infrastructure

Methods	Definition
Re-host	Lift and shift of application to cloud or any other new environment
Re-platform	Migrating to a modern platform (e.g., new run time) with some meaningful tweaks to the existing application
Re-factor	Restructuring and optimizing application code without creating new functionality and preserving the external structure
Re-write	Application modernized through code changes from COBOL, .Net etc. to modern programming languages such as Java etc.
Re-architect	Redesign of applications using modern constructs such as SOA, API, microservices, containers, etc.

Use cases

[ILLUSTRATIVE]

Architecture-focused transformation
Transforming to a microservices-based event-driven architecture to support scalable AI workloads

API-first integration
Transforming to include API-first capabilities to integrate with AI models and data

UI/UX modernization
Transforming user experience with conversational AI, multimodal interactions, AI-powered personalization, etc.

Excluded: The following aspects are beyond the scope of this research

Greenfield implementation: Greenfield implementation of COTS packages/custom application, e.g., package implementation of a COTS product

Standalone data modernization: Services limited to data modernization alone

Functionality: Bolt-on functionality developed on an application, e.g., additional features developed on a bespoke legacy application

Modifications: Change Requests (CR), user stories, and other minor/major modifications, e.g., CRs generated from user feedback in Agile Sprints

Management: Ongoing management, maintenance, and support of the modernized application, e.g., steady state support for a modernized website

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Scope of the evaluation (page 2 of 2)

[NOT EXHAUSTIVE]

Scope of research

Plan

- Application landscape assessment
- AI readiness assessment
- Identification of improvement opportunities
- Modernization roadmap

Analyze

- Deep-dive study of existing application
- Architecture design and optimization for API based integration with AI models and data platform

Modernize

- Migration / re-hosting / re-engineering / implementation
- Development of new functionalities for integration with AI models and data platform
- Unit testing, code review, and analysis
- CI/CD pipeline coverage

Test & deploy

- Test planning and preparation
- System integration
- Regression, performance, and user acceptance testing
- Go-live / rollout
- End-user training

Manage

- Ongoing management of modernized application
- Development and maintenance of major and minor enhancements
- Production support

Change management

Project management and governance

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Application Transformation Services for AI-enablement PEAK Matrix® characteristics

Leaders

Accenture, Capgemini, Cognizant, Deloitte, HCLTech, IBM, Infosys, TCS, Tech Mahindra, and Wipro

- Leaders have displayed a strong and forward-looking vision to help enterprises transform traditional applications into AI-enabled systems, with focused investments to embed AI / gen AI capabilities across the application stack
- They offer mature, end-to-end transformation suites enriched with proprietary tools, accelerators, and umbrella solutions embedded with gen AI and agentic AI capabilities. These span the full Software Development Life Cycle (SDLC), from AI-assisted discovery and refactoring to model deployment, continuous learning, and observability
- Leaders showcase proven proof points of success in transforming application portfolios across industries and technology stacks, with robust case examples of enterprise-grade deployments

Major Contenders

Apexon, Aspire Systems, CI&T, Datamatics, DXC, Encora, HTC Global Services, Kyndryl, LTIMindtree, Mastek, Mphasis, Nous Infosystems, Orion Innovation, SLK, an Altimetrik company, Sonata Software, UST, and Visionet

- Providers in this category are actively investing in building their AI-enablement capabilities for application transformation, focusing on platform enhancements, IP development, and partnerships to accelerate AI integration across the application stack. However, their vision and execution depth are not as balanced or scaled as that of Leaders
- They continue to exhibit strong industry credentials for delivering application transformation services for AI-enablement across select verticals, enterprise buyer groups, and transformation methodologies, making them strong contenders to be Leaders

Aspirants

3i Infotech, Bits in Glass, Dexian IT Solutions, Innominds, Intellias, and Microland

- Providers in this category are in the early stages of developing capabilities to support AI-enablement. They currently have limited enterprise-scale engagements, with nascent IP solutions and limited delivery maturity compared to Leaders and Major Contenders
- Their focus is on building point solutions and accelerators in specific areas of the SDLC. Many are beginning to integrate gen AI components, but lack cohesive platforms or mature orchestration frameworks to support large-scale transformations
- However, Aspirants are actively investing in ecosystem partnerships, talent upskilling, and limited AI use case development, positioning themselves to scale over time. Their growing ambition to participate in the AI-led transformation wave is evident through innovation labs, co-innovation programs, and early pilot projects

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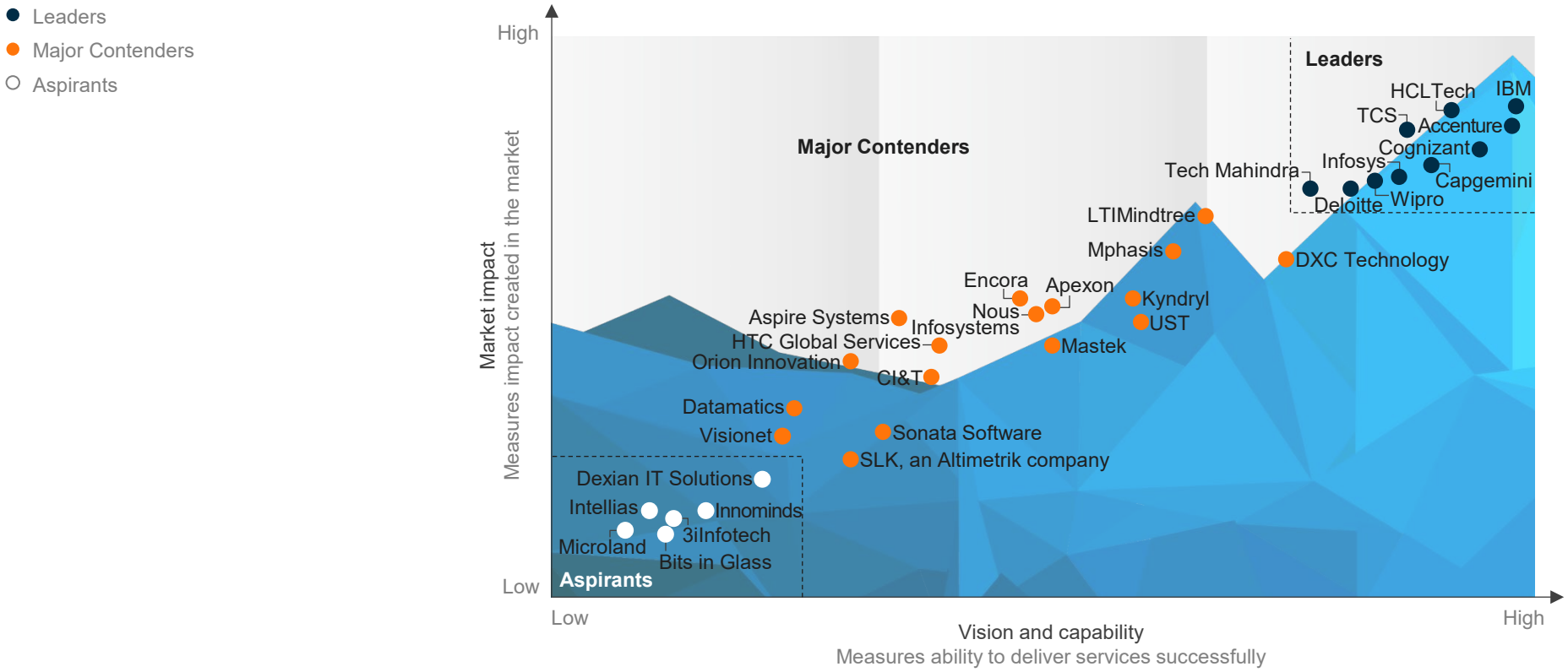
Everest Group PEAK Matrix®

Application Transformation Services for AI-enablement PEAK Matrix® Assessment 2025 | HCLTech is positioned as a Leader

Everest Group Application Transformation Services for AI-enablement PEAK Matrix® Assessment 2025[1,2]



1 Assessments for Accenture, Capgemini, Deloitte, DXC Technology, Infosys, Tata Consultancy Services, UST, Wipro exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group's interactions with buyers
2 Analysis for Encora, Intellias, IBM, and Kyndryl includes partial inputs from service providers, and is based on Everest Group's estimates leveraging its proprietary data assets, service provider public disclosures, and interaction with buyers
Source: Everest Group (2025)

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HCLTech

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

- Enterprises stand to benefit from HCLTech's investments in gen AI-focused accelerators such as AI Force and Prizm, developed in collaboration with AWS, Azure, and GCP, to support use cases such as automated code transformation, effort estimation, and architecture recommendation
- HCLTech's recent acquisitions of Starschema and Confinale are helping it bolster its data engineering capabilities and consulting and wealth management expertise, respectively, enhancing its ability to support AI-enabled and industry-specific transformation programs
- Enterprises looking to engage through flexible commercial constructs will find HCLTech to be a suitable partner due to its balanced focus on traditional pricing models (such as Time and Material (T&M) and fixed price) along with innovative pricing models (such as outcome-based)

Limitations

- While HCLTech has significant market share in mature industries such as BFSI, healthcare and life sciences, and manufacturing; repeatable playbooks for fast-cycling digital-native sectors such as media and entertainment and the public sector are still maturing
- Small and Midsize Business (SMB) enterprises may not find HCLTech to be a suitable partner for their transformation engagements as its customer portfolio is skewed toward large enterprises

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Market trends

As AI adoption matures, providers must balance speed and scalability while meeting enterprise expectations

Market size and growth

- The overall application transformation services market stood at US$100-105 billion in 2024, growing at a 2-4% CAGR through 2026
- Enterprises are fast-tracking modernization initiatives, making transformation one of the key objectives as part of their IT agendas
- The application transformation services market for AI-enabled accounts to 60-65% of the overall application transformation services market and is growing at a rate of 7-9% yearly

Key drivers for ATS AI-enablement

Modernizing legacy systems to support AI integration	Enterprises are seeking to replace legacy, monolithic applications with modular, AI-ready architectures, driving demand for providers that can deliver cloud-native modernization and seamless AI integration.
Cost optimization and technical-debt relief	CFOs view gen AI and agentic AI as key levers to optimize operating spend, eliminate legacy drag, and self-fund large-scale application-transformation programs.
Increased focus on digitization-driven user experience	Enterprises are reimagining customer and employee journeys by replacing siloed, manual processes with cloud-native, AI-enabled applications that deliver intuitive self-service.
Process and business-model reinvention	Enterprises want to leverage AI-ready infrastructure to re-architect core workflows around real-time insights and autonomous decision loops, unlocking new revenue streams, outcome-based services, and measurable business impact.

Opportunities and challenges

Fragile legacy estates	Tightly coupled architectures, legacy integrations, and undocumented dependencies increase the risk and complexity of modernization efforts.
Thin domain proof points	Outside of early adopters in digital-native sectors, there are limited, production-scale success stories that show how an AI-ready core actually delivers measurable impact. This scarcity fuels C-suite hesitation and stalls funding at the business-case stage
Talent scarcity	Cloud-native and MLOps talent sits in niche teams, forcing providers to retrain ADM staff; bottlenecks inflate costs, slow sprints, and risk faulty pipelines.
Escalating transformation economics	AI-enablement requires parallel spend on legacy operations and AI-grade platforms, from GPUs to data lakes; this inflates budgets, turning AI-enablement initiatives into hard-to-justify, cost-heavy bets.
Elusive RoI realization	Despite rising AI investments, enterprises struggle to quantify returns from transformation efforts, making it difficult to prioritize or sustain AI-enablement programs.

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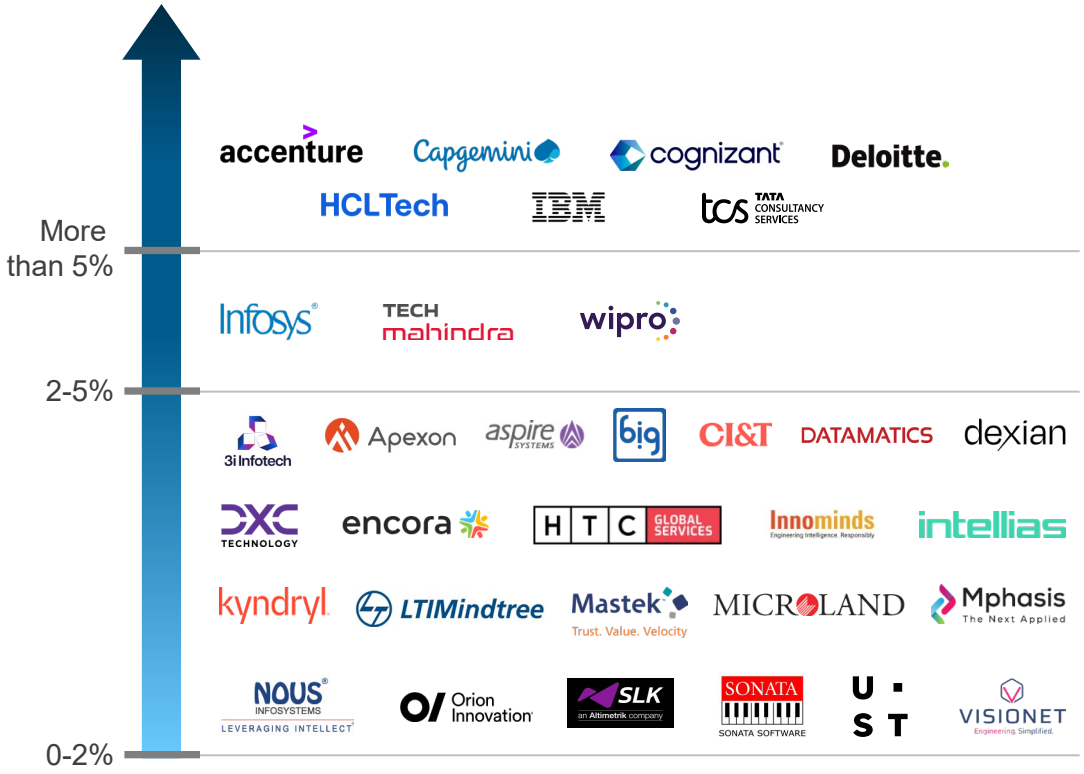
Provider landscape analysis

Leaders own scale; high-growth momentum sits with agile disruptors

Market share analysis of the providers[1]

2024; Percentage of the overall market of ATS for AI-enablement



Provider YoY growth in Application Transformation Services for AI-enablement revenue

2023-24; increase in percentage of YoY

1 Providers are listed alphabetically within each range

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Key buyer considerations

Enabling smarter, faster, and more scalable growth through ATS for AI-enablement

Key sourcing criteria

High

Priority

Low

Track record in scaling AI-ready modernization across complex estates

Enterprise buyers look for providers with proven success in transforming legacy portfolios into modular, cloud-native environments that can support safe and scalable AI adoption.

Mature solutions and proprietary IP to accelerate AI-enablement

Buyers look for providers offering packaged frameworks, toolkits, and accelerators that reduce transformation timelines, lower risk, and support full-SDLC integration of AI capabilities.

Front-end modernization for intelligent experiences

Enterprise buyers prioritize partners that can re-architect customer and employee-facing layers with embedded AI, including smart assistants, adaptive interfaces, and personalized content delivery.

Enterprise data readiness and real-time decisioning

Buyers look for partners that can consolidate app-level data streams, build real-time pipelines, and plug into AI/ML models seamlessly.

Transparency on RoI and transformation value realization

C-suite buyers expect clear business-case articulation, quantifiable value metrics, co-innovation models, and outcome-linked pricing to de-risk large-scale investments.

Summary analysis

Scalability and speed-to-value are the top priorities, as executives seek partners that can modernize legacy estates at pace while laying the foundation for enterprise-grade AI adoption.

Packaged solutions and transformation accelerators are strong differentiators, helping de-risk large-scale programs and deliver faster time-to-impact, especially in complex, regulated environments.

Front-end intelligence is rising on the agenda, with growing demand for providers that can rewire customer and employee interfaces for personalization, self-service, and adaptive content.

C-suite buyers are demanding RoI clarity, pushing providers to go beyond technical execution and offer measurable outcomes, value-based pricing models, and transformation accountability.

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Key takeaways for buyers

Providers are embedding AI across the transformation life cycle by integrating AI into core engineering workflows, enabling intelligent architectures, strengthening governance and compliance, accelerating delivery through platforms and toolkits, and developing gen AI-ready talent to meet evolving enterprise needs.

AI is becoming integral to every layer of application modernization

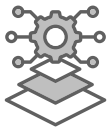
Providers are embedding gen AI, agentic automation, and AI-assisted engineering across discovery, code generation, testing, release, and operations. Buyers should assess the breadth of AI adoption across the SDLC to ensure readiness for AI-native delivery models.

Modern architectures are emerging as a foundation for scalable AI adoption

Providers are rearchitecting legacy systems into API-first, microservices-based, and cloud-native platforms to enable scalable AI adoption; buyers should closely evaluate these capabilities before undertaking AI-enablement.

Responsible AI practices are critical to building enterprise trust

Providers are embedding explainability, security, and model monitoring into their AI practices, ensuring compliance and enabling ethical, auditable AI adoption at scale.



Platform maturity and talent depth are key to consistent delivery

Providers are building in-house AI-led platforms, pre-built accelerators, reusable toolkits, and upskilling talent on gen AI to deliver faster and business-aligned transformation outcomes.

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Appendix

PEAK Matrix® framework

FAQs

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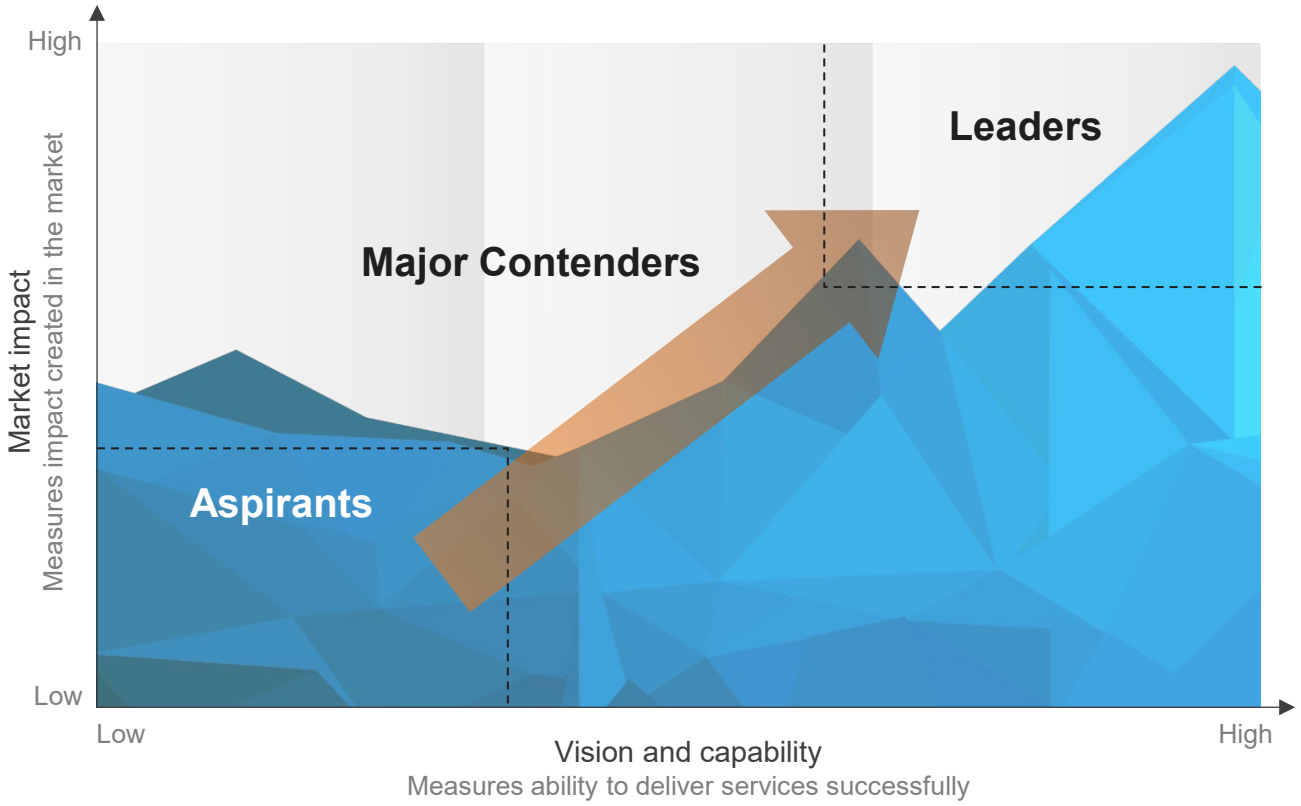
Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision and capability

Everest Group PEAK Matrix



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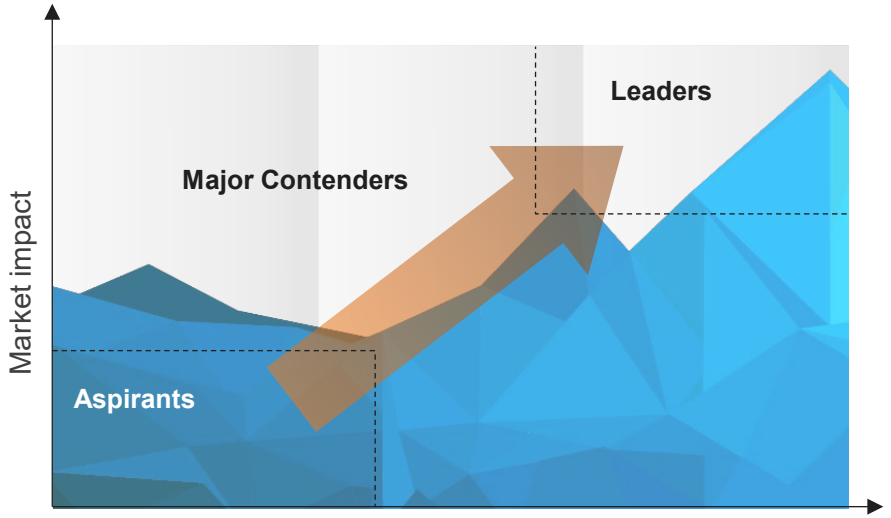
Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption
Number of clients, revenue base, YoY growth, and deal value/volume

Portfolio mix
Diversity of client/revenue base across geographies and type of engagements

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



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, innovative commercial constructs, alliances, M&A, etc.

Delivery footprint
Delivery footprint and global sourcing mix

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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 in 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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