

IDC MarketScape: Worldwide Artificial Intelligence Services 2021 Vendor Assessment

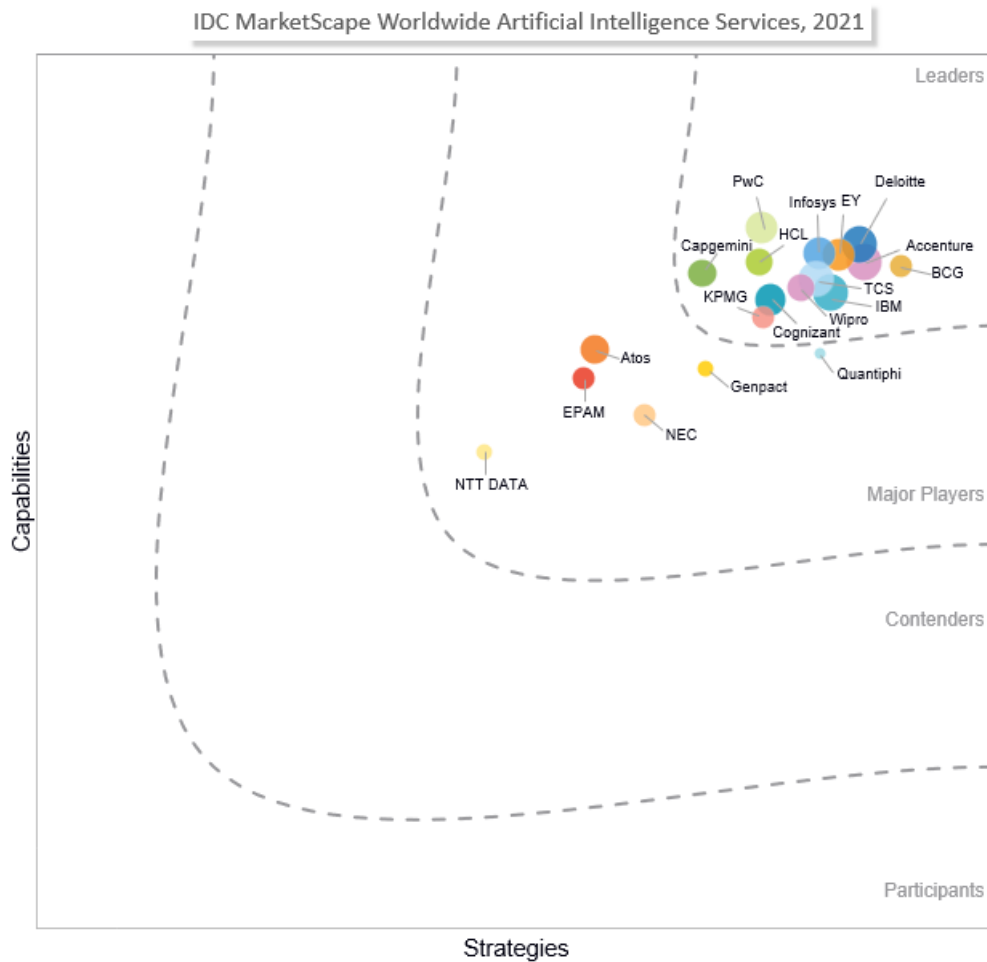
Jennifer Hamel

THIS IDC MARKETSCAPE EXCERPT FEATURES: HCL

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Artificial Intelligence Services Vendor Assessment



Source: IDC, 2021

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 MarketScape: Worldwide Artificial Intelligence Services 2021 Vendor Assessment (Doc #US46741921). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study represents a vendor assessment of the 2021 artificial intelligence (AI) services market through the IDC MarketScape model. This research is a quantitative and qualitative assessment of the characteristics that explain the success of a vendor in the marketplace and help anticipate its ascendancy. This IDC MarketScape covers a variety of vendors participating in the worldwide AI services market. This evaluation is based on a comprehensive framework and a set of parameters expected to be most conducive to success in providing AI services in both the short term and the long term.

A significant component of this evaluation is the inclusion of the perception of AI services buyers of both the key characteristics and the capabilities of these providers. Buyers were surveyed across all three of IDC's macroregions. Key findings include:

- Top business drivers for buyers of AI services stayed remarkably stable since this study was first conducted in 2019. According to IDC's *Artificial Intelligence Services Buyer Perception Survey*, which collected feedback from 94 of the evaluated vendors' customers, "improving operational efficiency" continued to lead as a critical business priority and "ability to achieve business outcomes" remained the most critical vendor attribute for successful AI services.
- CIOs/CTOs were the most common sponsor for AI services engagements at just over 19%, but nearly two-thirds of sponsors were in roles outside the information technology (IT) function, such as line-of-business head, chief analytics/data officer, or CEO.
- The vast majority of buyers reported that some or most of their AI services engagements included support services, indicating that organizations expect vendors to help them continue to realize value from their AI investments after implementation.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This research includes analysis of 19 AI services providers with broad portfolios spanning IDC's research coverage and with global scale. This assessment is designed to evaluate the characteristics of each firm – as opposed to its size or the breadth of its services. The inclusion criteria also dictate that at least 10% of revenue and 10% of head count need to be located in each macroregion. In addition, it is conceivable and in fact the case that specialty firms can compete with multidisciplinary firms on an equal footing. As such, this evaluation should not be considered a "final judgment" on the firms to consider for a particular project. An enterprise's specific objectives and requirements will play a significant role in determining which firms should be considered as potential candidates for an engagement.

ADVICE FOR TECHNOLOGY BUYERS

- **Plan beyond the proof of concept (POC).** AI is becoming ubiquitous across IT and business functions, and powerful success stories abound in the market. However, achieving enterprise AI at scale remains a challenge for most organizations. Select a services partner that can help you envision not only how AI can deliver value within a particular use case, but how it can become a foundational component of your organization's decisions, business operations, and technology architecture over the long term. This means thinking through the implications of AI adoption across your organization's data, platforms, processes, and people and addressing unique characteristics that distinguish AI from traditional software deployments. Choose a partner that goes beyond showing you what is possible with AI to what is achievable and appropriate for your business needs and desired outcomes, now and in the future.
- **Human-machine collaboration.** Select a services partner that can bring the right mix of expertise and technology-based offerings to meet you where you are now in your AI adoption journey and position you for success as you scale your AI capabilities. Seek not only data science but expertise in other areas where you may have internal talent gaps, such as skills in your chosen AI platform; data engineering; machine learning operations (MLOps); process transformation; bias, ethics, and trust issues; security; regulatory compliance; user interface (UI) and user experience (UX) design; innovation; training; and change management. Also consider the tools and accelerators a provider offers to help customers more quickly and cost effectively realize business value from their AI investments. For example, IDC research indicates that automated machine learning (AutoML) is fast becoming the current and future of AI (see *IDC FutureScape: Worldwide Artificial Intelligence 2021 Predictions*, IDC #US46917020, October 2020). Look for service providers with strategies that make the best use of both human talent and machine capabilities in the rapidly evolving AI space.
- **Vendor selection.** Use this IDC MarketScape 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.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

HCL

According to IDC analysis and buyer perception, HCL Technologies (HCL) is positioned in the Leaders category in this 2021 IDC MarketScape for worldwide AI services.

HCL positions its AI services to enable clients to become digital, human-centered, cognitive businesses, with a strategy spanning design thinking to enhance both customer and employee experiences, data-led transformation, bias-free AI, persona-based and human-centric problem solving, and change management. HCL has developed an array of service offerings, frameworks, and tools to accelerate AI adoption, including but not limited to, Business Experiments-As-A-Service, AI Accelerator, Model Manager, Analytics Pathways, Enterprise XAI Framework, and EXACTO, augmented by its DRYiCE suite of AI products and platforms (e.g., Lucy, iAutomate, MyCloud, iControl) and technology partner ecosystem. HCL has used its expertise in machine learning, deep

learning, computer vision, and conversational AI, as well as supporting data platforms and visualizations, to create a variety of industry-specific use cases for clients. HCL continues to invest in AI innovation through in-house R&D and collaborating with universities, VCs, technology partners, and start-ups.

Strengths

Buyers rated HCL highly for its ability to provide technical insights and competency, optimize the ratio of onshore and offshore efforts on a project, and deliver the right value for fee paid, as well as its breadth and depth of IP and tools to deliver AI services. IDC considers HCL's end-to-end life cycle of AI services portfolio and strategies around customer retention, innovation, and R&D, increasing revenue per employee and employee skills and retention as key strengths. HCL also showcased strength in achieving business outcomes for clients with AI services.

Challenges

IDC believes HCL's go-to-market strategy could be improved with more collaboration with customers, data providers, and other complementary services suppliers on go-to-market initiatives. HCL could also benefit from producing more CXO-level thought leadership and incorporating a broader range of themes into the company's marketing messages for AI services.

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.

Market Definition

AI services are utilized to assess, plan, design, implement, and operate the following:

- AI software platforms provide the tools and technologies to analyze, organize, access, and provide advisory services based on a range of structured and unstructured information.
- AI applications include cognitively enabled process and industry applications that automatically learn, discover, and make recommendations or predictions.
- AI enables the automation of rule-based tasks and processes enabled by software tools that were formerly performed by a human. The machine-based automation can be human supervised or completely autonomous with no human intervention.

In addition, change management, assessment, design, and deployment of underlying information/data management architecture, staff augmentation, process reengineering, and AI platform-enabled services are also considered part of AI services.

This IDC MarketScope covers the full life cycle of AI services (see Figure 2). For a detailed definition of the services markets illustrated in Figure 2, see *IDC's Worldwide Services Taxonomy, 2019* (IDC #US44916019, March 2019).

FIGURE 2

Artificial Intelligence Services



AI Business Services

- AI business consulting includes strategy, operational improvement, and process reengineering; change management involving people, process, and technology; governance and compliance (including consulting around issues of ethics, privacy, trust, bias, and explainability); and internal audit surrounding AI solutions.
- AI BPO services build upon the foundation laid by business analytics BPO services, as providers continue to embed AI technologies to manage unstructured data from process workflows across key horizontal functions such as F&A, procurement, HR, customer care, and logistics as well as functions specific to industry verticals.



AI IT Services

- AI IT services include IT consulting, systems and network implementations, IT outsourcing, application development, IT deploy and support, and IT education and training related to AI applications and infrastructure spending. AI IT services also involve helping buyers create the IT strategy of their overarching AI journey and assess, design, and deploy the underlying data architecture.
- AI IT services also include external spending on data scientists and other subject matter experts involved in designing, developing, and implementing an AI-enabled application on top of an AI software platform.

Source: IDC, 2021

Customer Perceptions of AI Services Vendors

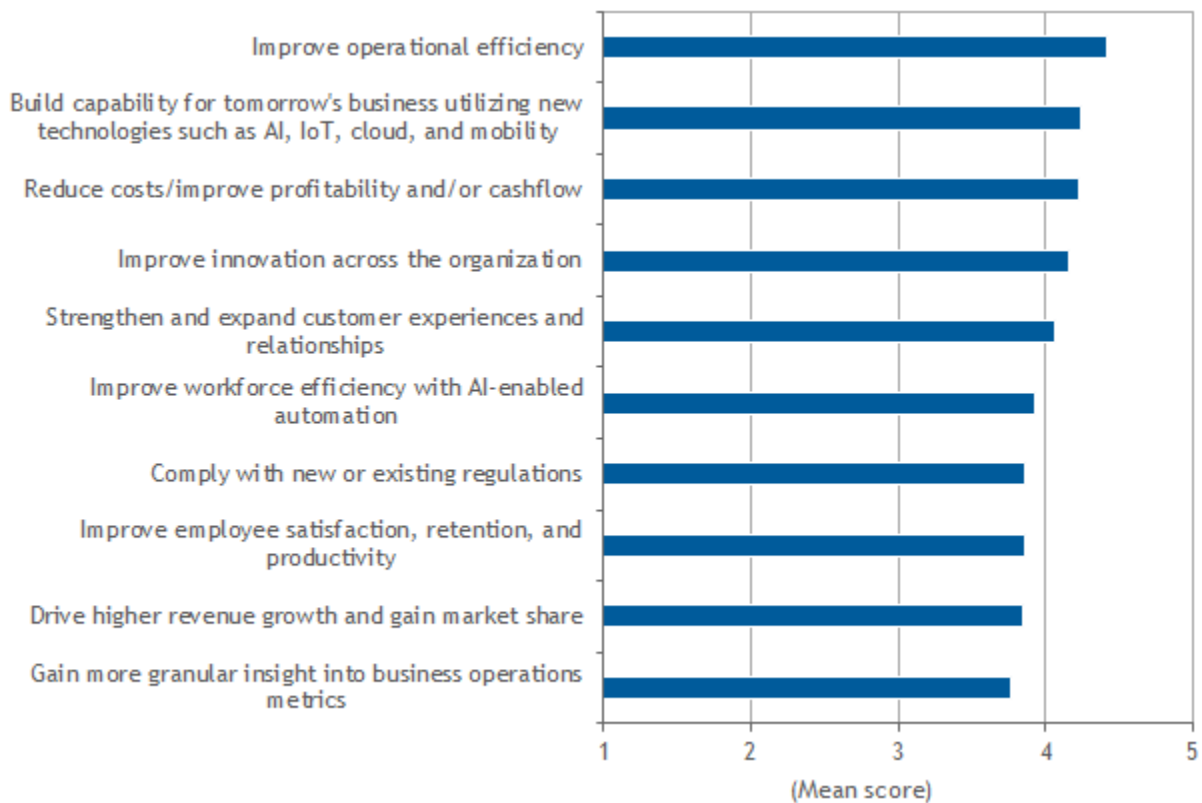
A significant and unique component of this evaluation is the inclusion of the perceptions of AI services buyers of both the key characteristics and the capabilities of the vendors evaluated. The buyers participating in IDC's *Artificial Intelligence Services Buyer Perception Survey* have partnered with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

Figure 3 illustrates the top 10 business drivers for AI services projects for the AI services customers surveyed in 2021. Customers cited improving operational efficiency and building capabilities for tomorrow's business utilizing new technologies such as AI, IoT, cloud, and mobility as the top 2 business drivers for taking on AI services.

FIGURE 3

Top 10 Business Drivers for Artificial Intelligence Services Engagements, 2021

Q. How important a business priority do you believe each of the following is currently for your company?



n = 94

Note: Mean scores are based on a scale of 1-5, where 1 is not a priority and 5 is a critical business priority.

Source: IDC's *Artificial Intelligence Services Buyer Perception Survey*, 2021

LEARN MORE

Related Research

- *IDC MarketScape: Worldwide Artificial Intelligence IT Services 2021 Vendor Assessment* (forthcoming)
- *IDC MarketScape: Worldwide Artificial Intelligence Business Services 2021 Vendor Assessment* (forthcoming)
- *IDC FutureScape: Worldwide Artificial Intelligence 2021 Predictions* (IDC #US46917020, October 2020)
- *Market Analysis Perspective: Worldwide Analytics and Intelligence Automation Services, 2020* (IDC #US45733320, September 2020)
- *Worldwide Artificial Intelligence Services Forecast, 2020-2024* (IDC #US46272220, August 2020)
- *Worldwide and U.S. Artificial Intelligence Services Market Shares, 2019: Co-Innovation Expertise and Assets Drive AI-Enabled Transformations* (IDC #US45733420, August 2020)
- *IDC MarketScape: Worldwide Artificial Intelligence Services 2019 Vendor Assessment* (IDC #US44514819, April 2019)

Synopsis

This IDC study represents a vendor assessment of the 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 highlights the factors expected to be the most influential for success in the market in both the short term and the long term.

"As AI moves from a 'nice to have' capability to an essential component of the future enterprise, customers need partners with expertise in developing production-grade AI solutions and establishing the right organization, platform, governance, business process, and talent strategies to ensure sustainable AI adoption at scale," says Jennifer Hamel, research manager, Analytics and Intelligent Automation Services at IDC.

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. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

Global Headquarters

140 Kendrick Street
Building B
Needham, MA 02494
USA
508.872.8200
Twitter: @IDC
blogs.idc.com
www.idc.com

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