



IDC MarketScape

IDC MarketScape: Worldwide Digital Transformation Consulting and Systems Integration Services 2015 Vendor Assessment

Ali Zaidi

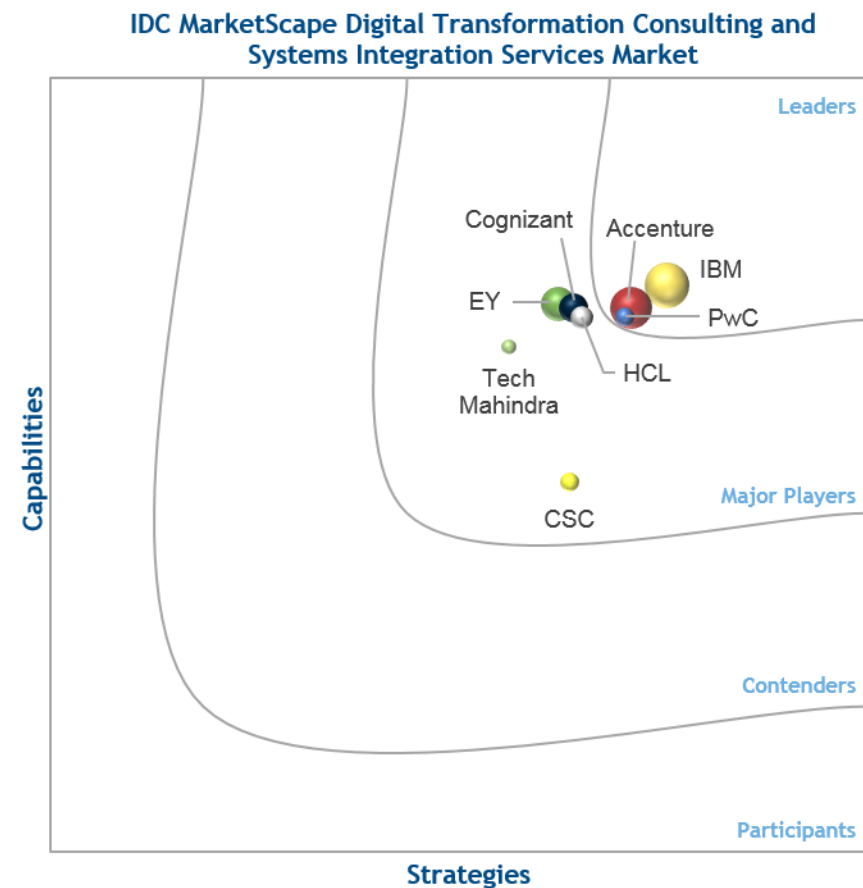
Gard Little

THIS IDC MARKETSCAPE EXCERPT FEATURES: HCL

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Digital Transformation Consulting and Systems Integration Services 2015 Vendor Assessment



Source: IDC, 2015

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 Digital Transformation Consulting and Systems Integration Services 2015 Vendor Assessment (Doc #255870). 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 MarketScape is different from the previous IDC MarketScape evaluations on related implementation services (i.e., cloud professional services, business analytics services, and enterprise mobility consulting) in two ways.

First, this IDC study applies a balanced focus on both the "digital" and the "transformation" components of its scope. Except for business analytics services, prior IDC MarketScape documents have focused on implementing a single enabling technology (e.g., cloud, analytics, or mobility; social technologies have not been evaluated to date) rather than the people or business process changes each technology enabled. Some degree of people or process transformation may have been featured in selected vendor responses for prior IDC MarketScape documents, but this was not always a factor in IDC's evaluation. Second, this IDC study focuses on the potential for the implementation of two or more enabling technologies as part of a single transformational initiative, where the transformation required implementing people or business process change in parallel. Technically, a cloud-only transformation could take place without the use of analytics, enterprise mobility, or social technologies; however, it is the combination of cloud plus one or more of these enabling technologies in a single transformation initiative that is the focus of this IDC MarketScape.

This IDC study represents a vendor assessment of the 2015 worldwide digital transformation consulting and systems integration services market (hereafter also known as "implementation services") through the IDC MarketScape model. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate the vendor's ascendancy. This IDC MarketScape covers a variety of vendors participating in the worldwide digital transformation implementation services market. This evaluation is based on a comprehensive framework and a set of parameters expected to be most conducive to success in providing implementation services around digital transformation solutions during both the short term and the long term. A significant component of this evaluation is the inclusion of buyers' perceptions of both the key characteristics and the capabilities of these providers. Key findings include:

- When evaluating all providers that participated across all 27 capabilities assessed, 3 capabilities tied for the highest ratings: "future offering and capability road map," "future portfolio strategy," and "future financial/funding model." The category of "future portfolio strategy" showed the widest dispersion of ratings, while two categories ("future growth strategy" and "current employee management strategy") tied for the lowest scores overall.
- Based on survey feedback from 50 customers of the vendors that were evaluated, the attribute "integrate project team with my company" received the highest mean ratings than any of the 23 attributes rated. The lowest aggregate rating for any attribute was for the "ability to provide creative content design solutions."

- When buyers were asked what characteristics were required for a digital transformation implementation services project to be successful, at a worldwide level, two characteristics were tied for first place: the "ability to achieve desired business outcomes" and the ability to "deliver innovation that produces results." The buyers' top 2 project success factors highlight what vendors need to do to deliver a successful project, namely, to ensure that any of the four digital technologies implemented (cloud, mobile, analytics, or social) are done so in support of tangible business results.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

Invitations to participate in this IDC MarketScope were based on vendors meeting one of two criteria. The first was whether the vendor participated in at least one of the previous IDC MarketScope evaluations on implementation of the digital technologies that are subcomponents of this IDC MarketScope:

- *IDC MarketScope: Worldwide Cloud Professional Services 2014 Vendor Analysis* (IDC #250238, August 2014)
- *IDC MarketScope: Worldwide Business Analytics Consulting and Systems Integration Services 2014 Vendor Assessment* (IDC #248172, May 2014)
- *IDC MarketScope: Worldwide Enterprise Mobility Consulting 2013 Vendor Analysis* (IDC #241030, May 2013)

The following vendors (in alphabetical order) met this first criteria: Accenture, Capgemini, Cognizant, CSC, Deloitte, HCL, HP, IBM, Infosys, PwC, and Wipro.

Second, vendors that did not meet the first criteria but did have more than 10% of their combined IT consulting and systems integration revenue in each of IDC's three macroregions – the Americas, EMEA, and Asia/Pacific – were invited. Revenue estimates were based on figures published in IDC's Worldwide Quarterly Services Tracker. The following vendors (in alphabetical order) met this second criteria: EY, HP, Indra, KPMG, NTT DATA, TCS, and Tech Mahindra.

In total, eight vendors (in alphabetical order) have been evaluated in this IDC MarketScope: Accenture, Cognizant, CSC, EY, HCL, IBM, PwC, and Tech Mahindra.

ESSENTIAL BUYER GUIDANCE

- **Consider joint IT and line-of-business sponsors for projects.** Buyers indicated a variety of non-IT roles were the key sponsors 60% of the time for digital transformation implementation services projects. However, the leading sponsor was the CIO/CTO office, at over 25% of the time. Therefore it's critical to engage both IT and business executives when it comes to initiating digital transformation projects within your organization.
- **Value digital technologies in terms of their potential business impact.** Buyers were asked what characteristics were required for a digital transformation implementation services project to be successful, at a worldwide level, and two characteristics were tied for first place: the "ability to achieve desired business outcomes" and the ability to "deliver innovation that produces results." This highlights buyers must ensure that any of the four digital technologies implemented (cloud, mobile, analytics, or social) are done so in support of tangible business results.

- **Use this IDC MarketScape for vendor selection.** Use this IDC MarketScape in contract negotiations and as a tool to not only short list vendors for digital transformation implementation service bids but also evaluate vendors' proposals and oral presentations. Because this analysis shows that the breadth and depth of services offered are strong for the majority of providers, make sure you understand where these players are truly differentiated and determine if these areas are important to your selection.

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, challenges, and opportunities.

HCL

According to IDC analysis and buyer perception, HCL is an IDC MarketScape worldwide digital transformation implementation services Major Player.

Strengths

Buyers rate HCL very highly for its ability to optimize the ratio of onshore/offshore efforts on a project. IDC rates HCL higher in terms of current capabilities compared with future strategy in this IDC MarketScape. IDC views both the "future offering strategy" and the "future sales and distribution service strategy" of HCL as its greatest strengths.

Challenges

IDC believes HCL's future go-to-market strategy could be enhanced by promoting its digital transformation capabilities more prominently on its Web site. In addition, HCL's future marketing strategy could be enhanced further by hosting worldwide events focused on digital transformation to connect the company's clients and prospects with executives from other organizations that are implementing digital transformations.

Opportunities

According to IDC's 2015 *Global Digital Transformation Implementation Consulting and Systems Integration Services Buyer Perception Survey*, HCL can further enhance its position in future related IDC MarketScape evaluations by improving its client perception in the following areas:

- Providing creative content design solutions
- Working with partners (e.g., hardware/software product partners, creative advertising agencies, and other business/IT services providers)
- Utilizing the presence of local offices and local resources

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 a review board 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

Digital transformation involves enterprisewide change requiring innovation in either organizational (i.e., people) or business model/process changes, or both, as a part of implementing cloud services plus at least one of the following technologies: business analytics, enterprise mobility, or social technologies. IDC defines four technologies (cloud, mobile, analytics, and social) as the essential components of "digital," further defined below and in IDC's *Worldwide Services Taxonomy, 2015* (IDC #254824, March 2015).

Digital denotes a new approach (but not a new set of IT or business services in IDC's taxonomy) for creating, selling, delivering, or consuming products or services with increased agility, flexibility, and scalability. Digital approaches are characterized by the use of at least one, but most often more than one, of the following enabling technologies: cloud services, analytics, mobility, or social technologies. For IDC, a digital approach is synonymous with using any of these four pillars of the 3rd Platform (just as the term *managed services* is synonymous with IDC's definition of outsourcing). Digital approaches

typically involve improvements to customer-facing activities or business processes (i.e., "front office" processes), but this is not a requirement because it is possible to have a digital approach applied only to a back-office process such as parts distribution. Digital approaches typically involve a relative increase in the speed with which products, services, or information can be created or consumed; this is done primarily in one of two ways:

- By connecting business processes in a more seamless, end-to-end configuration, either for faster execution or for an improved user experience
- By removing some human intervention (or other analogue inputs) that had previously delayed completion of an end-to-end business process

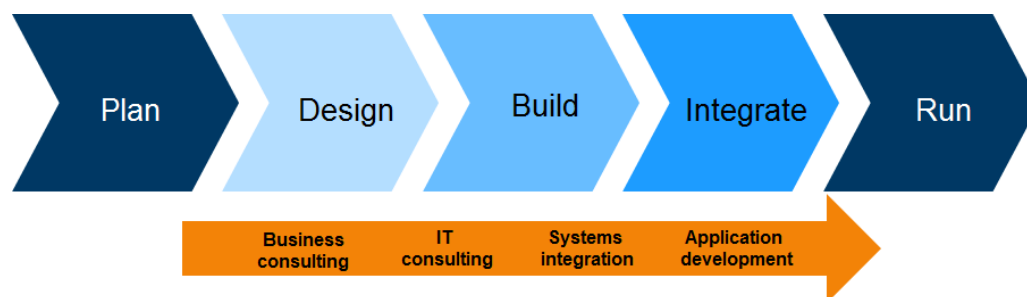
Digital approaches can be applied to any function within an organization – for example, creative design services included as part of a digital marketing campaign. While not a requirement, digital approaches can create innovations that disrupt business processes, functions, or entire industry value chains by, for example, disaggregating or reaggregating these elements, introducing consumers earlier in a process, or changing a consumer's role to that of a prosumer, one who is also a coproducer of products or services created in a value chain.

Digital, as an approach, is not to be confused with digital technologies themselves, many of which have been around for decades (where the original meaning of digital was to convert analogue information into a stream of 1s and 0s).

The digital transformation implementation services market covers the design, build, and integrate functions of the plan-design-build-run function chain (see Figure 2). The plan phase includes both IT consulting and business consulting. For a detailed definition of the services markets illustrated in Figure 2, see IDC's *Worldwide Services Taxonomy, 2015* (IDC #254824, March 2015).

FIGURE 2

IDC's Plan-Design-Build-Run Function Chain



Source: IDC, 2015

LEARN MORE

Related Research

- *IDC's Worldwide Services Taxonomy, 2015* (IDC #254824, March 2015)

- *IDC MarketScape: Worldwide Cloud Professional Services 2014 Vendor Analysis* (IDC #250238, August 2014)
- *IDC MarketScape: Worldwide Business Analytics Consulting and Systems Integration Services 2014 Vendor Assessment* (IDC #248172, May 2014)
- *IDC MarketScape: Worldwide Enterprise Mobility Consulting 2013 Vendor Analysis* (IDC #241030, May 2013)

Synopsis

This IDC study presents a vendor assessment of the digital transformation implementation ecosystem through the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that explain success in the ecosystem. This IDC MarketScape covers a variety of vendors participating in the digital transformation implementation 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 during both the short term and the long term.

Both IT and business factors were dominant in this evaluation. "When buyers were asked what characteristics were required for a digital transformation implementation services project to be successful, two characteristics were tied for first place: the 'ability to achieve desired business outcomes' and the 'ability to deliver innovation that produces results'," says Gard Little, research director, IT Consulting and Systems Integration Strategies at IDC. "A successful digital transformation solution requires a seamless combination of business process and IT/people change that meets business needs with the correct implementation of 3rd Platform technologies. Therefore services vendors in the space must possess solid technical expertise across all aspects of the 3rd Platform technologies as well as equally sound business process and change management knowledge to stay relevant in the space," says Ali Zaidi, senior research analyst, IT Consulting and Systems Integration Strategies 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.

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