



Everest Group PEAK Matrix[®] for Software Product Engineering Service Provider 2023

Focus on Capgemini
January 2023



Background of the research

Software, the largest segment of spending in the product engineering world, continues to grow in relevance as platform-based business models take center stage for enterprises in both product- and services-centric verticals.

This shift toward platforms, with enterprises starting to compete in the market based on their platform offerings, is leading to the emergence of new dynamics:

- There is a change in the relationship and an increasing intimacy between business and technology/engineering functions
- The tolerance for technical debt is going down; the need to manage/retire platform-related legacy rapidly and effectively is more pronounced
- The approach toward software engineering is undergoing a visible shift – the build and maintain mindset is giving way to a journey of ongoing platform evolution

While the new dynamics are leading to an explosion in engineering talent demand, the geopolitical situation in Eastern Europe is worsening the already supply-constrained talent market. Engineering service providers are playing a crucial role in this situation and are helping their clients with scaled, persistent, and diversified engineering teams.

This research, the fourth edition of [Acing the Art of Platform-driven Growth: Software Product Engineering Services PEAK Matrix® Assessment 2023](#), evaluates 33 engineering service providers, features them on the PEAK Matrix®, and shares insights on enterprise sourcing considerations. The study is based on RFI responses from service providers, interactions with their software product engineering leadership, client reference checks, and ongoing analysis of the engineering services market.

The report includes detailed profiles of the following 33 leading engineering service providers featured on the Software Product Engineering PEAK Matrix®:

- **Leaders:** Accenture, Capgemini, Cognizant, EPAM, GlobalLogic, HCLTech, Infosys, Persistent Systems, TCS, and Wipro
- **Major Contenders:** Aspire Systems, Brillio, Cybage, DataArt, Encora, Globant, Happiest Minds, HARMAN DTS, Infogain, Innominds, Itransition, Mindtree, Mphasis, SoftServe, Sonata Software, Tech Mahindra, UST, and Virtusa
- **Aspirants:** Daffodil Software, Experion Technologies, GS Lab | GAVS, Intellias, and Sacumen

Scope of this report



Geography
Global



Providers
33 leading engineering service providers



Services
Software product engineering services

Software Product Engineering Services PEAK Matrix® characteristics

Leaders:

Accenture, Capgemini, Cognizant, EPAM, GlobalLogic, HCLTech, Infosys, Persistent Systems, TCS, and Wipro

- The Leaders segment comprises broad-based IT-heritage engineering service providers that have developed dominant capabilities in offering premium and multi-disciplinary software product engineering services
- Leaders have made considerable investments and have effectively traversed both organic and inorganic growth trajectories to develop strong competence across all the elements of the software product engineering value chain
- Their international delivery presence has helped them achieve the right balance of client proximity and cost advantages in servicing large-scale engagements
- These players are extensively focusing on putting their skin in the game and shifting beyond traditional outsourcing models toward emerging engagement constructs, primarily product carve-outs and legacy product management, IP partnerships, and revenue-sharing models

Major Contenders:

Aspire Systems, Brillio, Cybage, DataArt, Encora, Globant, Happiest Minds, HARMAN DTS, Infogain, Innominds, Itransition, Mindtree, Mphasis, SoftServe, Sonata Software, Tech Mahindra, UST, and Virtusa

- Major Contenders comprise both IT-heritage firms as well as pure-play engineering service providers
- These players are actively enhancing expertise in cloud engineering, AI/ML, data & analytics, and agile & DevSecOps through talent enhancement initiatives to develop differentiated offerings and compete with Leaders
- They are also focusing on expanding their delivery presence and leveraging partnerships with hyperscalers, technology firms, and academia to strengthen their presence in software product engineering services

Aspirants:

Daffodil Software, Experion Technologies, GS Lab | GAVS, Intellias, and Sacumen

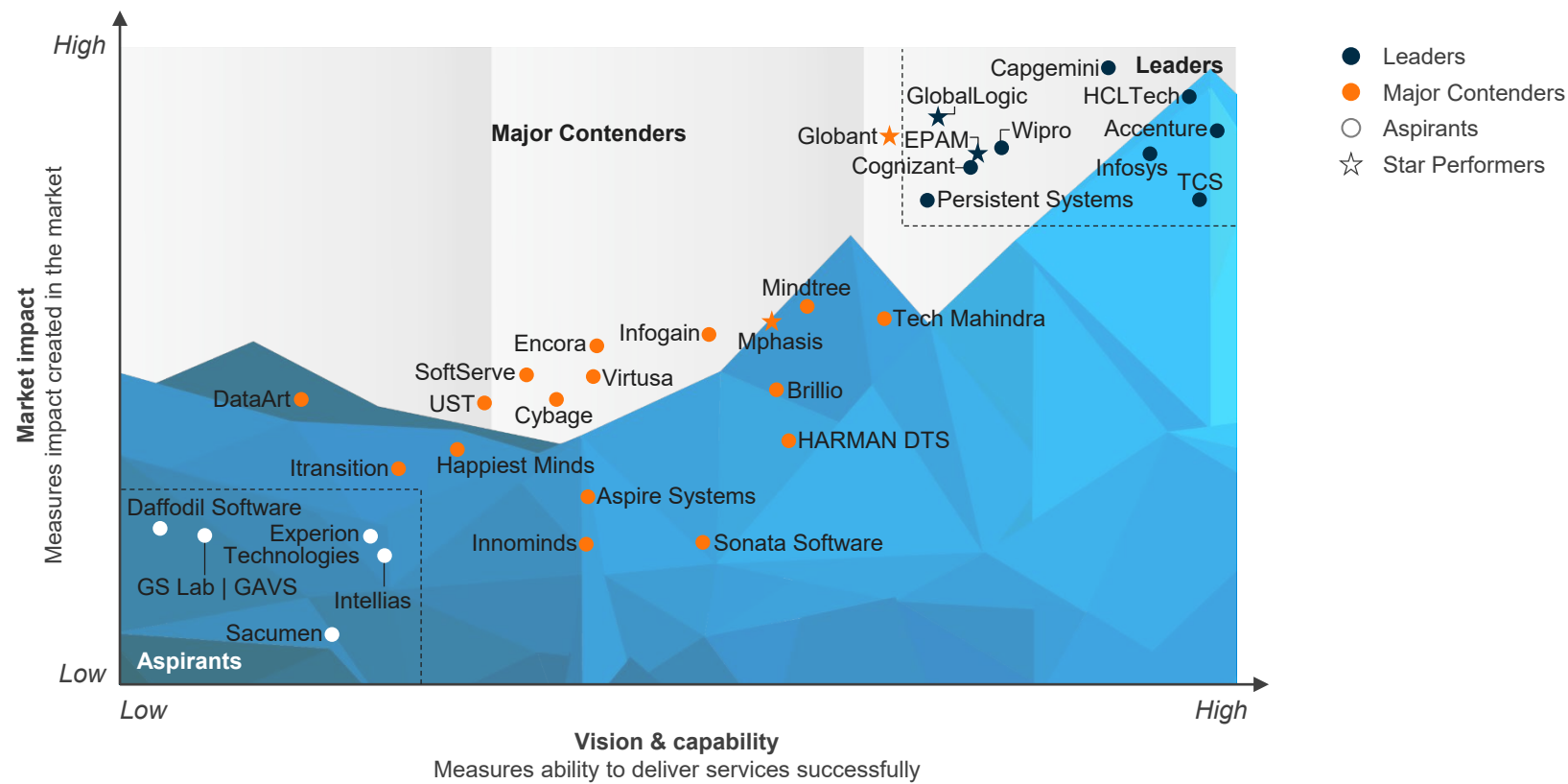
- Aspirants possess strong capabilities in specific technology areas and value chain elements; however, their global presence and ability to serve projects with wider scopes is limited
- They are making focused investments for enhancing their solutions portfolio, improving service enablement capabilities, and expanding their footprint and client base to enter the Major Contenders segment

Everest Group PEAK Matrix®

Software Product Engineering Services PEAK Matrix® Assessment 2022 | Capgemini positioned as Leader



Everest Group Software Product Engineering Services PEAK Matrix® Assessment 2022^{1, 2}



¹ Assessments for Cybage, EPAM, SoftServe, and Virtusa exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interaction with buyers
² Analysis for Mindtree is based on its capabilities before its merger with LTI
Source: Everest Group (2022)

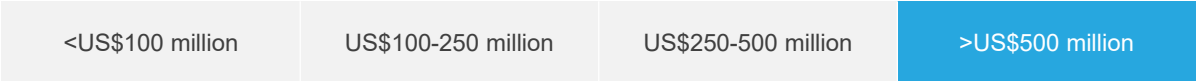
Capgemini | software product engineering services profile (page 1 of 4)

Overview

Vision and strategy

Capgemini envisions combining strategic advice, operations know-how, and technology expertise to reduce time-to-market, improve the flexibility of software products, and optimize the performance of software engineering operations. The firm aims to leverage a product mindset to provide a compelling value proposition to software product owners for the best utilization of expertise across the product life cycle. Cloud and data are the key elements of strategy, and Capgemini plans to leverage the partnership ecosystem to enhance competence. The firm also plans to focus on sustainability and help its clients in their net-zero emissions journey.

Software product engineering services revenue (CY 2021)



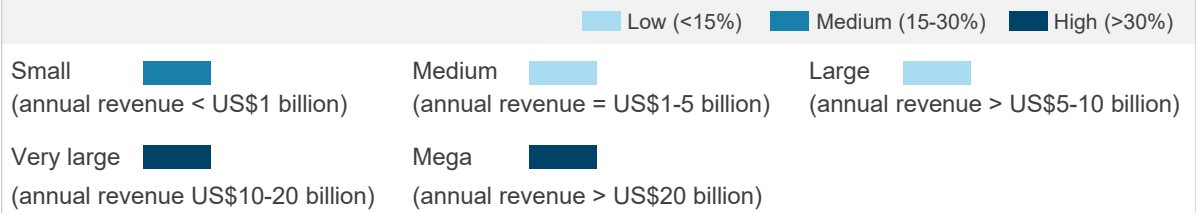
YoY growth rate in software product engineering services revenue (CY 2021)



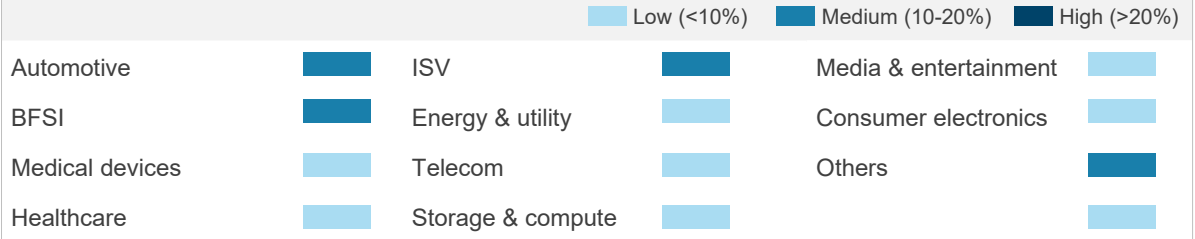
Revenue derived from cloud engineering initiatives (CY 2021)



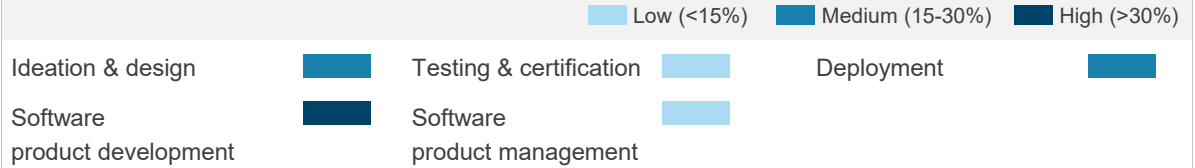
Projects by buyer size



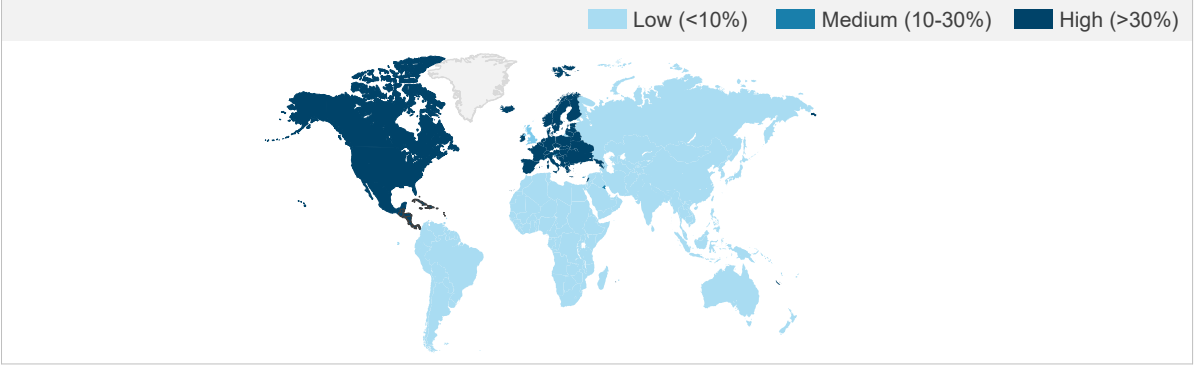
Adoption by vertical



Adoption by value chain element



Adoption by geography



Capgemini | software product engineering services profile (page 2 of 4)

Case studies and solutions

Case study 1	Helped a networking client to rebuild its entire digital ecosystem	Proprietary solutions (representative list)	
Business challenge The client was looking for a partner that could help it to revamp its entire digital ecosystem to develop a responsive design for mobile and self-care portals for retail and corporate customers.	Solution and Impact Capgemini leveraged Sitecore CMS Architecture to customize the web content using reusable Sitecore & front-end components along with support for multiple modules for personal & business portal sites, microsites & dynamic sites, search, eShop (commerce) resulting in the complete redesign of the website in line with the latest trends. As a result, Capgemini helped in a significant reduction in operations cost, a 43% case reduction in customer care, and improved brand loyalty and customer satisfaction with a 17% increase in NPS.	Solution	Details
		Agile and Federated Inventory Framework	A big data-based framework for processing inventory data from multiple data sources in real-time to generate an accurate network inventory database
		Behavior Driven Test (BDT) framework	A test automation framework that can be applied in domains such as network testing, cloud, and web applications testing, and allows test engineers to write test cases in English, thus taking away the need to have knowledge of underlying test tools and associated scripting methods
		CEM InReach	A mobile device-based monitoring solution that collects device-specific data and forwards it to the centralized CEM solution
		Digital cloud platform	A solution that accelerates time to market for greenfield app development or brownfield app modernization
		Ensconce	A solution to reduce the barrier for application developers to host their edge applications that offer low-latency edge application development through Software Development Kits (SDKs), which provide edge applications on demand, discover edge deployments, orchestrate applications across operator networks, and monitor and manage applications throughout the lifecycle
		Lab-as-a-Service	An automated solution that provides a portable lab having automated virtual test environments and network functions ready for being tested and deployed
		Ready2Release	A release readiness advisor to accelerate agile sprint cycles
		Service management	A solution that demonstrates end-to-end service modeling, supports SQM scenarios for telecom services, and provides the operations team with actionable intelligence to manage services and provide monitoring and correlation
		Tempest Demo	A solution that demonstrates the application to validate the OpenStack environment by performing functional and integration testing against all OpenStack components including API, CLI and stress related test scenarios

Capgemini | software product engineering services profile (page 3 of 4)

Investments and partnerships









Key alliances and partnership (representative list)	
Company	Details
AWS	A partnership to help companies build and operate their products as a service, transform and sustain legacy products for the connected digital world, and maximize returns
CA Technologies	A collaboration to develop a joint solution that is leveraged by customers to monitor key metrics, as a part of CA Unified Infrastructure Management
Google	A relationship to enhance capabilities around cloud applications, platforms, and transformation services
Hortonworks, Cloudera, and Sqlstream	Alliances with analytics providers to enhance capabilities in developing big data and analytics products
HPE	An alliance that focuses on developing applications that capitalize on integrated network and cloud capabilities
IBM	An alliance that focuses on helping clients meet business needs to create cloud-based services and solutions
Micro Focus	A partnership to help clients adopt agile & DevOps methodologies and rethink V&V approach to meet the challenges of the software products business
Microsoft	A partnership that increases expertise in engineering, continuous integration, and maintenance services
RedHat Openshift	A partnership that focuses on enhancing Platform-as-a-Service (PaaS) capabilities

Recent software product engineering services investments/acquisitions (representative list)	
Company	Details
5G Lab-as-a-Service	Launched a 5G lab as an as-a-service model for telecommunication companies and OEMs that are instrumental in bringing 5G and edge to software products
Altran	Acquisition to enhance footprint into engineering, software & internet vertical, portfolio of assets, North American geography, and key marquee client partnerships
Empired	Acquisition to strengthen capabilities in cloud and data as well as enhance its footprint in Australian market
June21	Acquisition to enable the clients to make the most of the digital revolution that would transform their marketing and business models
RXP Services	Acquisition to deliver data and cloud services and enhance delivery presence across Australia and New Zealand
OneShare infrastructure	Investment in an automated lab provisioning infrastructure for DevSecOps enablement
Usability Labs	Acquisition to incorporate design thinking for next-generation users

Capgemini | software product engineering services profile (page 4 of 4)

Everest Group assessment – Leader

Measure of capability:  Low  High

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
								

Strengths

- Capgemini has a robust portfolio of proprietary IP tools and frameworks that are effectively cross-pollinated across industries
- Capgemini has a balanced mix of clients spread across small, midsize, and large enterprises and a delivery footprint spread across onshore, nearshore, and offshore regions
- Clients appreciate Capgemini for its strong technical skills and effective coordination in mitigating challenges due to time zone differences
- Capgemini is known for its competitive pricing and skilled engineers among its customers

Limitations

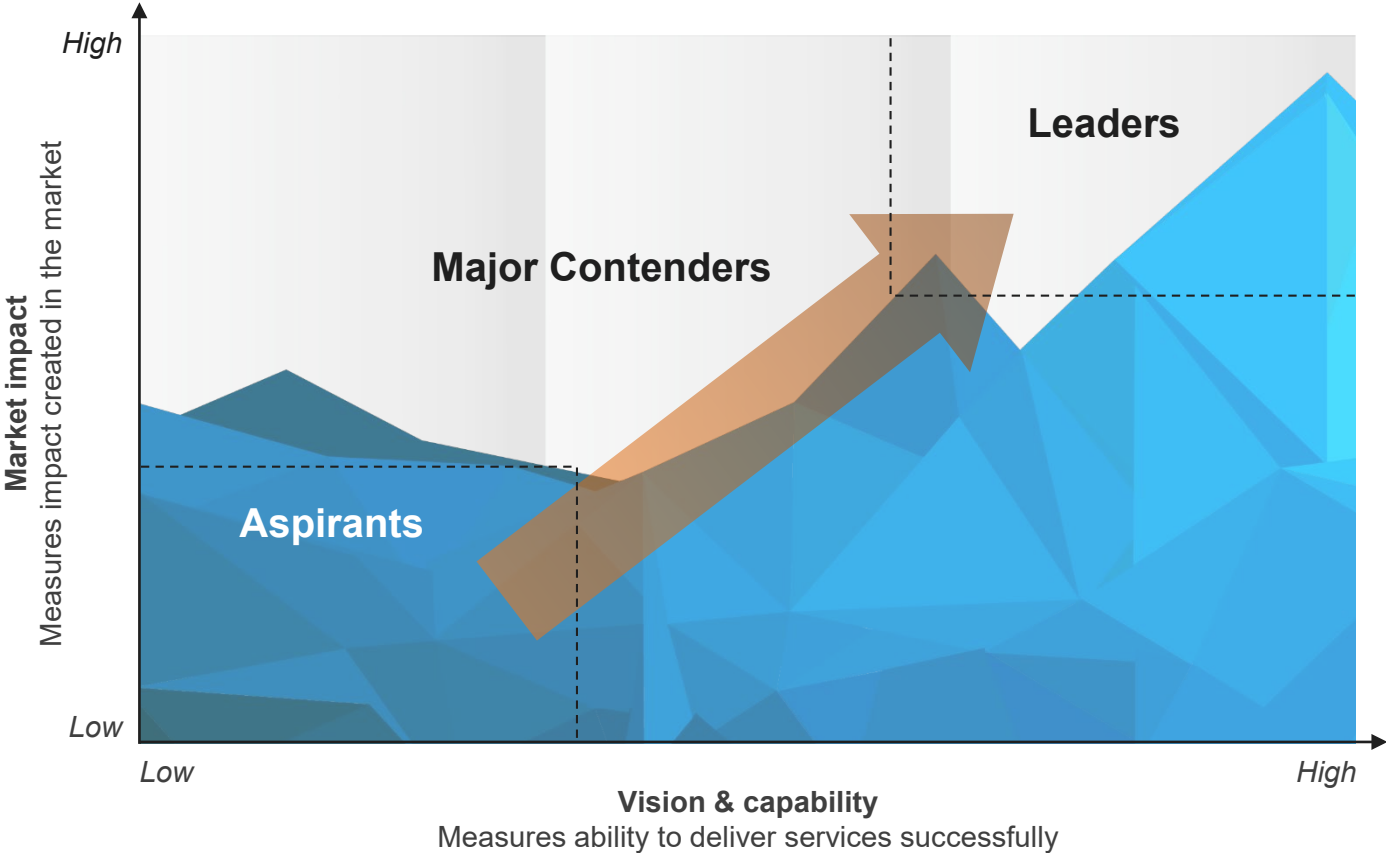
- Capgemini has a limited customer footprint in the APAC and North America region as compared to that of other Leaders
- Clients expect Capgemini to accelerate the onboarding process of new resources and improve its bench strength
- While Capgemini shows the willingness to engage via emerging pricing models, including risk and reward-based pricing, it can consider increased engagement in other evolving pricing models such as outcome-based pricing

Appendix

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



Everest Group PEAK Matrix



Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption

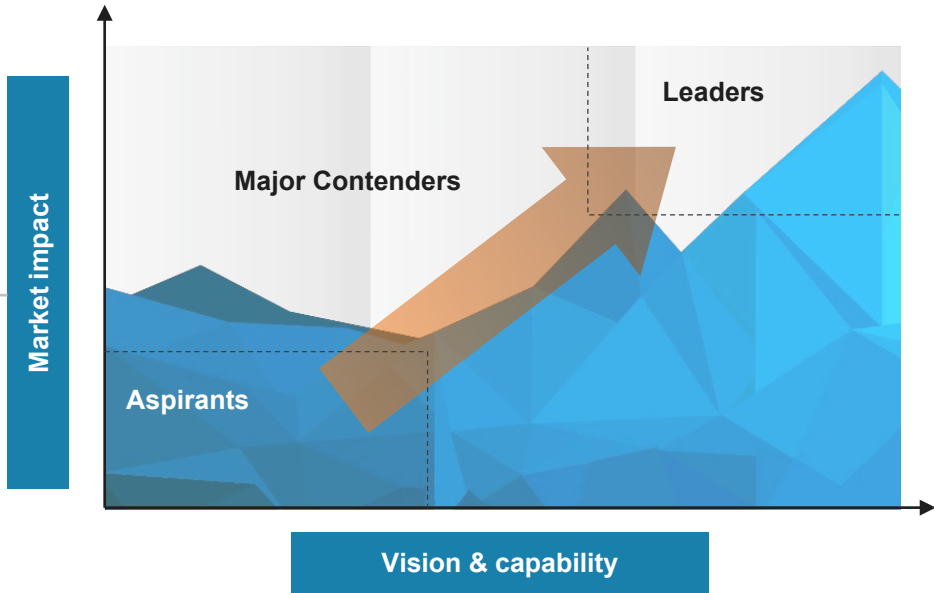
Number of clients, revenue base, YOY growth, and deal value/volume

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.

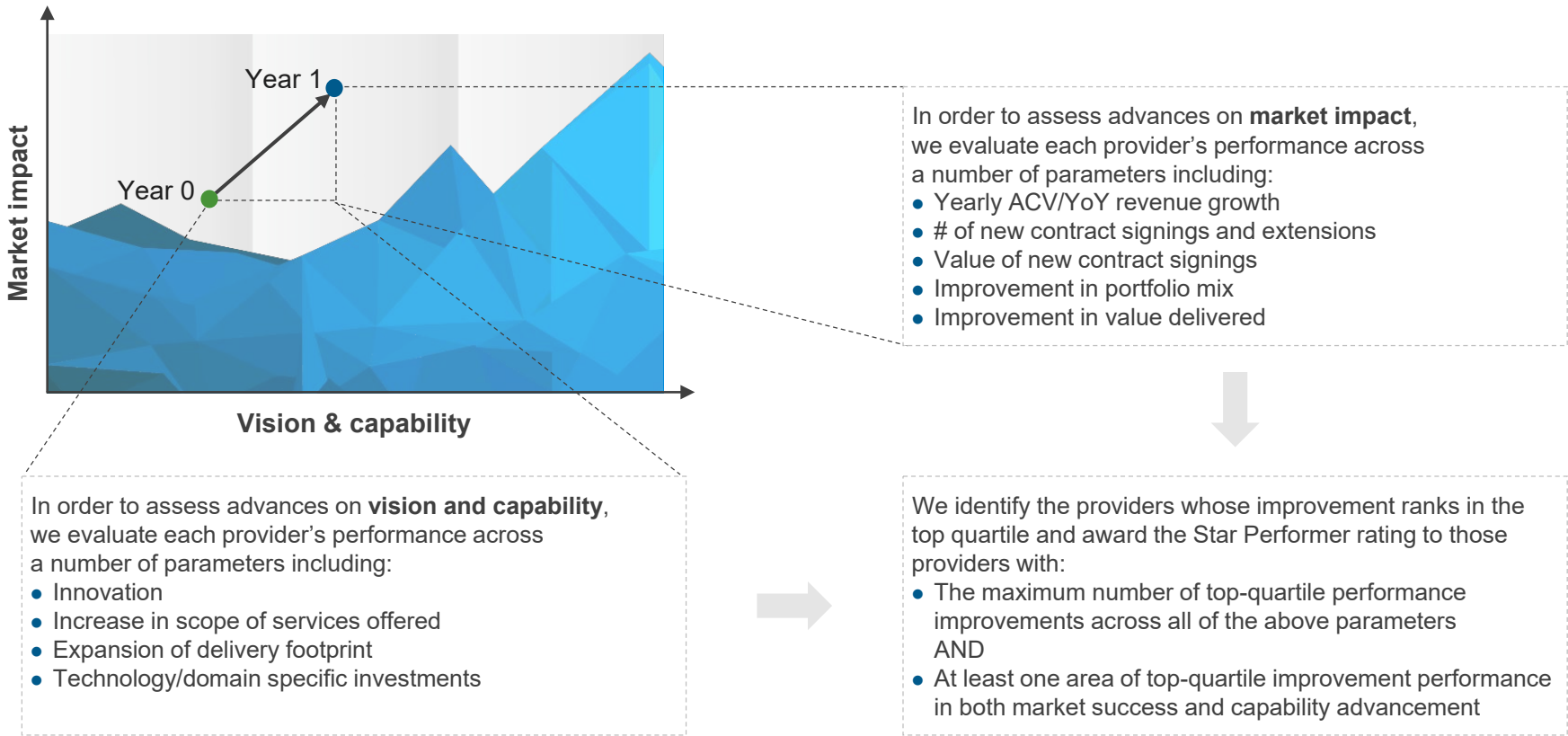
Delivery footprint

Delivery footprint and global sourcing mix

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology

Everest Group selects Star Performers based on the relative YoY improvement on the PEAK Matrix



The Star Performers title relates to YoY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?

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.

Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?

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.

What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?

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.

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

- 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 included in our research reports

What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?

- 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](#)

Does the PEAK Matrix evaluation criteria change over a period of time?

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.






Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at www.everestgrp.com.

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