Everest Group®

Sourcing for IT Specialist Capabilities – the What, Why, and How

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Live Tweeting #EGAnalyst

Introductions

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Discussion points for today

What are specialists?

Why do enterprises need specialists?

How do you source a specialist?

Q&A

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Enterprises often turn to IT service specialists for niche and highly specialized capabilities

Unique value proposition

- Technology-/industry-/function-specific
- Quality of skill and talent set
- Differentiated IP – tools, frameworks, accelerators
- Agile and flexible business models
- Superlative client management and experience

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IT services specialists bring technology-/function-/industry-specific expertise – contextualizing and accelerating service delivery

Context is king when driving successful business and technology transformation initiatives

Technology stacks	Functional/methodological	Industry/geography sub-segment
AWS, Azure, GCP, ServiceNow, Salesforce, Oracle, SAP, Automation Anywhere, UiPath, etc.	Agile/DevOps, risk and fraud, cybersecurity, digital workplace, digital marketing services, etc.	Retail, healthcare, banking, wealth management, P&C insurance, revenue cycle management, EHR management, etc.
blazeclan, Cloudreach, Crossfuze The Workflow Company, GlideFast consulting, penrod, SpringML, THIRDERA, Virsys	B&A Your Future. Our Mission., coresphere, leadsquared, Orange Cyberdefense, ResultsCX, Secureworks	ACCUTIVE, ACCOMPANY Consulting, CitiusTech, emids experience partnership., icon solutions, IKOR, Impact advisors, NORDIC, XCEEDANCE

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What is the main reason for selecting an IT services specialist?

- Technology-/industry-/function-specific expertise – 61%
- Quality of talent – 17%
- Differentiated tools and accelerators – 6%
- Agile business models – 4%
- Superior client management – 4%
- Solutioning flexibility – 4%

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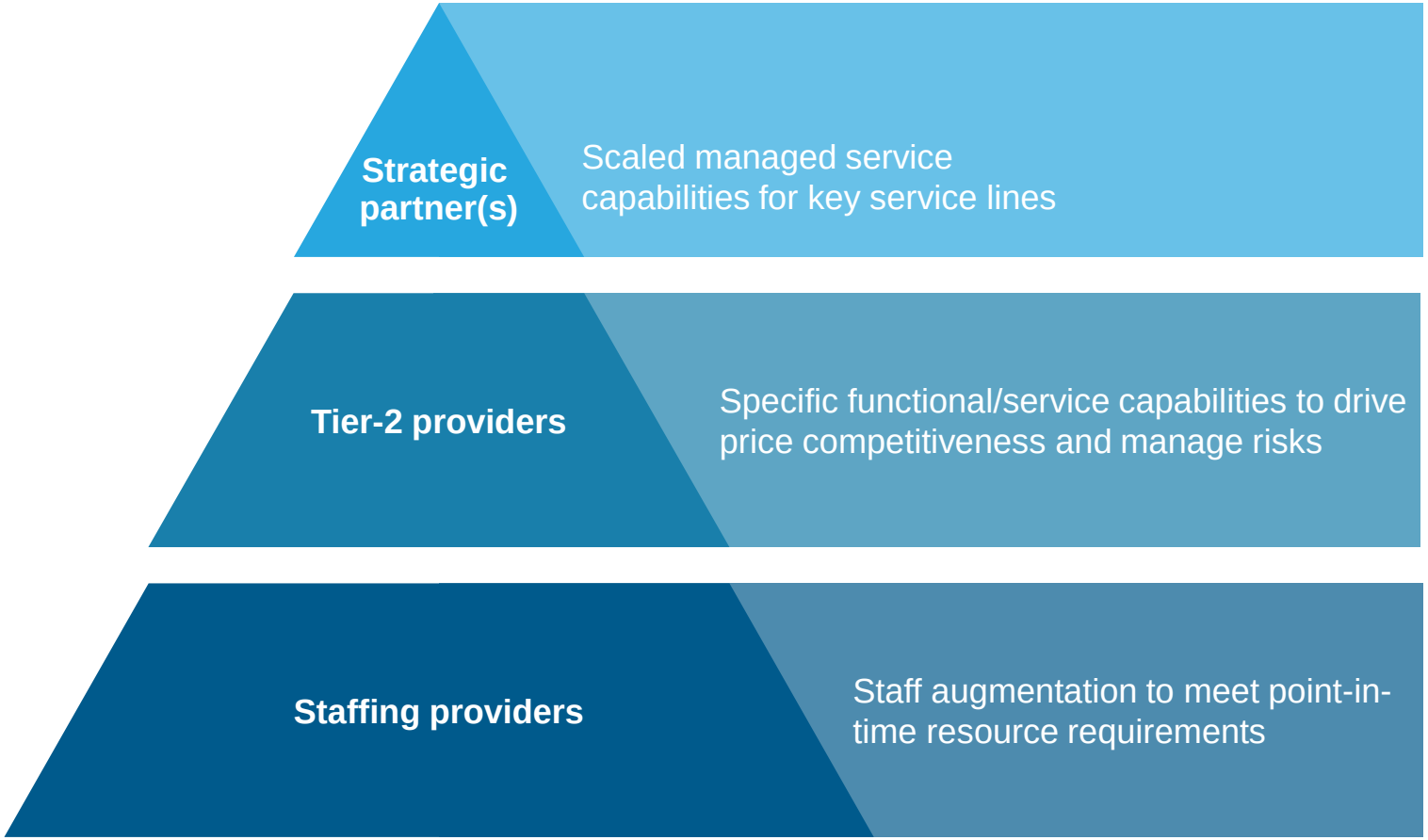
Enterprises have started to recognize the shortcomings in the existing sourcing model and the need to evolve it

The traditional IT services sourcing model was built around cost and labor arbitrage



Unique value proposition

- Provider segmentation by scale rather than by strategic intent
- Portfolio effectiveness measured by traditional, cost-centric metrics
- Limited provider view into overall enterprise IT landscape and business objectives
- Diffused provider focus and accountability

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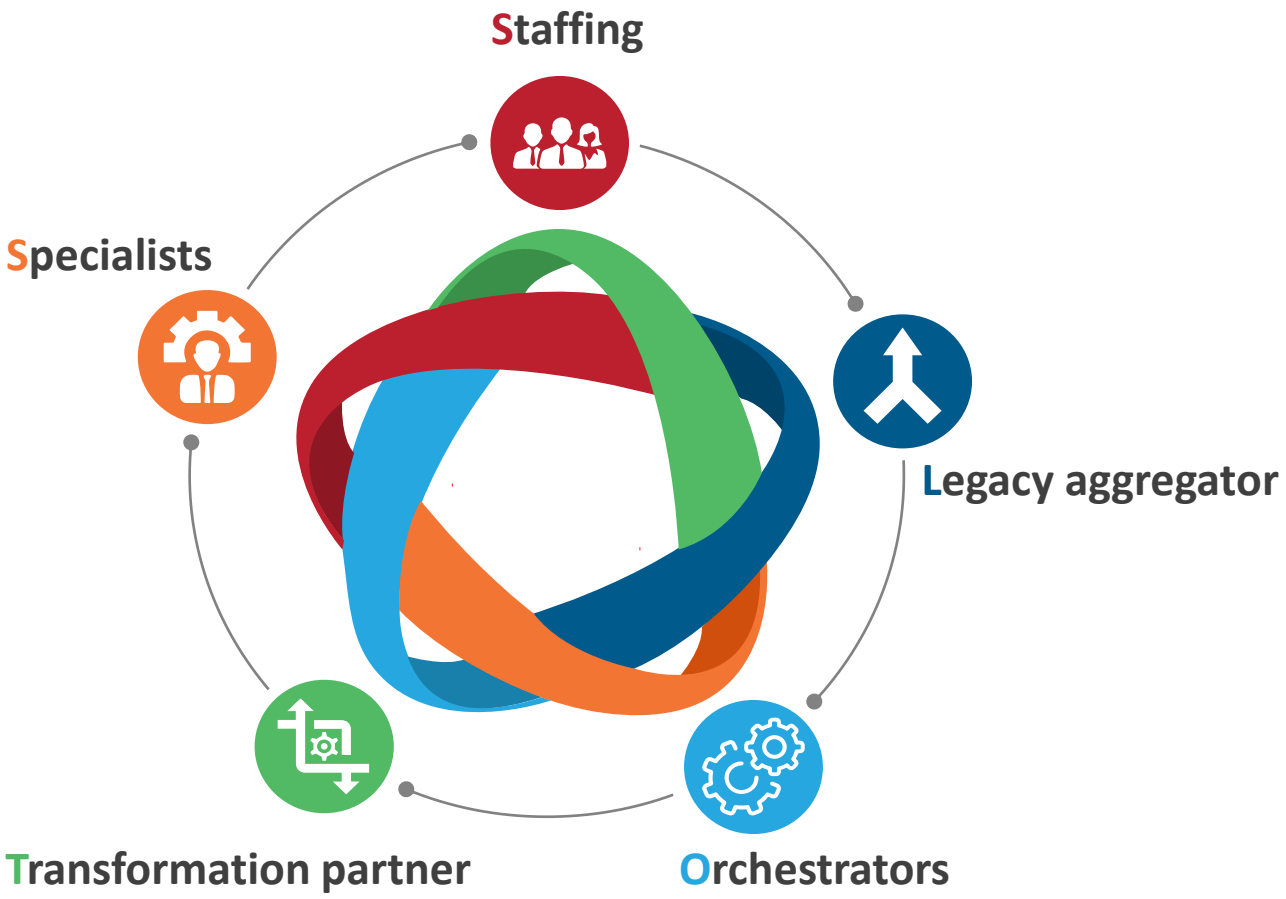
Leading enterprises are moving to a value-driven IT service sourcing model fit for the digital age

Enterprises need distinct IT service provider roles to help them balance multiple objectives



How this helps enterprises

- Anchored to business value and growth
- Drives services efficiency, resilience, and agility
- Defined provider roles and expected outcomes

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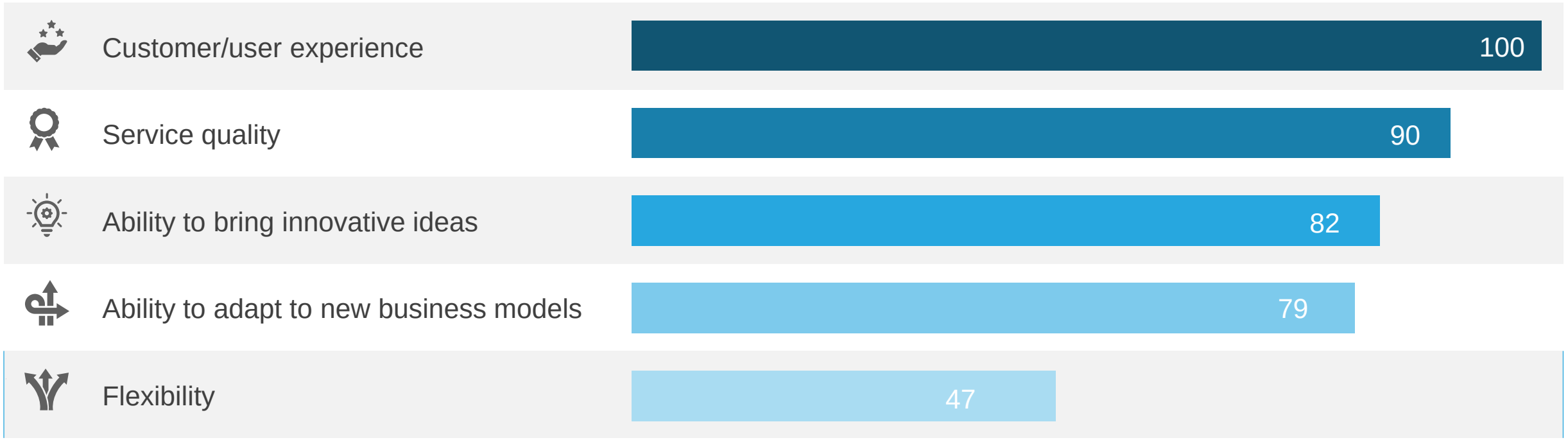
How do you expect the share of IT services specialists in your portfolio to change in 2022?

- Significant increase – 37%
- Marginal increase – 51%
- Stay the same – 6%
- Marginal decline – 6%
- Significant decline – 0%

Most important supplier performance areas for enterprises' 2021 business priorities

Relative importance scores indexed to 100



Other priorities, in decreasing score order, include introduction of new technology, delivery time, productivity, product quality, and support for existing technology

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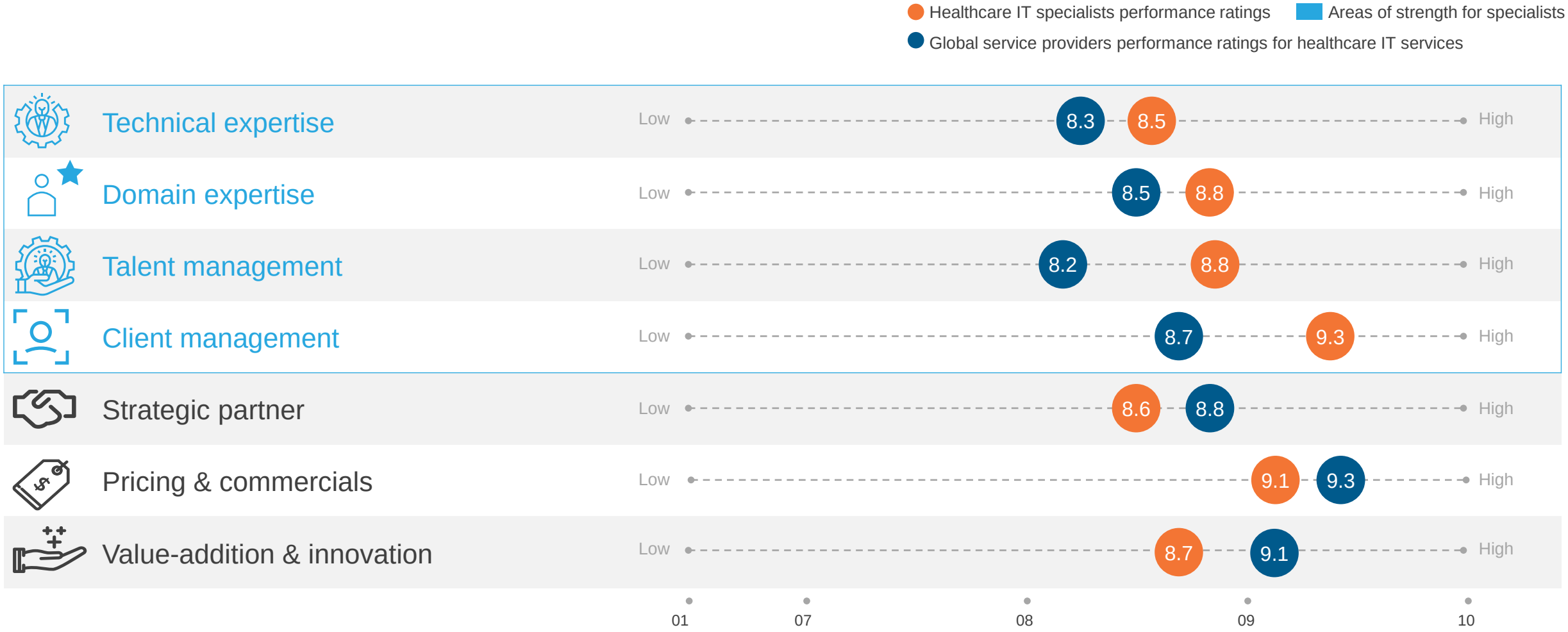
Enterprises rate IT services specialists very highly on their talent quality and client management

Enterprise have started to perceive IT specialists an important element of their sourcing model



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Enterprise feedback on specialists

> The specialist service provider's expertise is similar to or better than our incumbent large partner. They are hungry and very capable.
>
> – Director IT Service Management, global clothing company

> The specialist service provider behaves like a boutique firm. They have shown personal attention to our business requirements and have knowledgeable staff.
>
> – Chief Data Information Officer, large healthcare system

> For very new area such as financial management, business continuity management, or a very special requirement, we look for specialist service providers where our global partner is not ready.
>
> – Head, Digital Services Enablement, global pharma firm

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What is the top challenge you face when working with specialists?

- Insufficient domain/technical depth – 14%
- Inability to scale – 57%
- Lack of referenceable proof points – 7%
- Inability to keep up with industry trends – 5%
- Inadequate investment in innovation – 5%
- Limited leverage of the partner ecosystem – 12%

There are multiple challenges associated with specialists, making it essential for enterprises to identify the right scope of work for them

Limited scale
Resource crunch as the engagement advances

Lack of synergistic partnerships
Limited scope of accelerated expansion/innovation

Sourcing risk
Risk of getting acquired by larger service providers

Disintegrated transformation
Vulnerable to the risk of exclusion during vendor consolidation exercises

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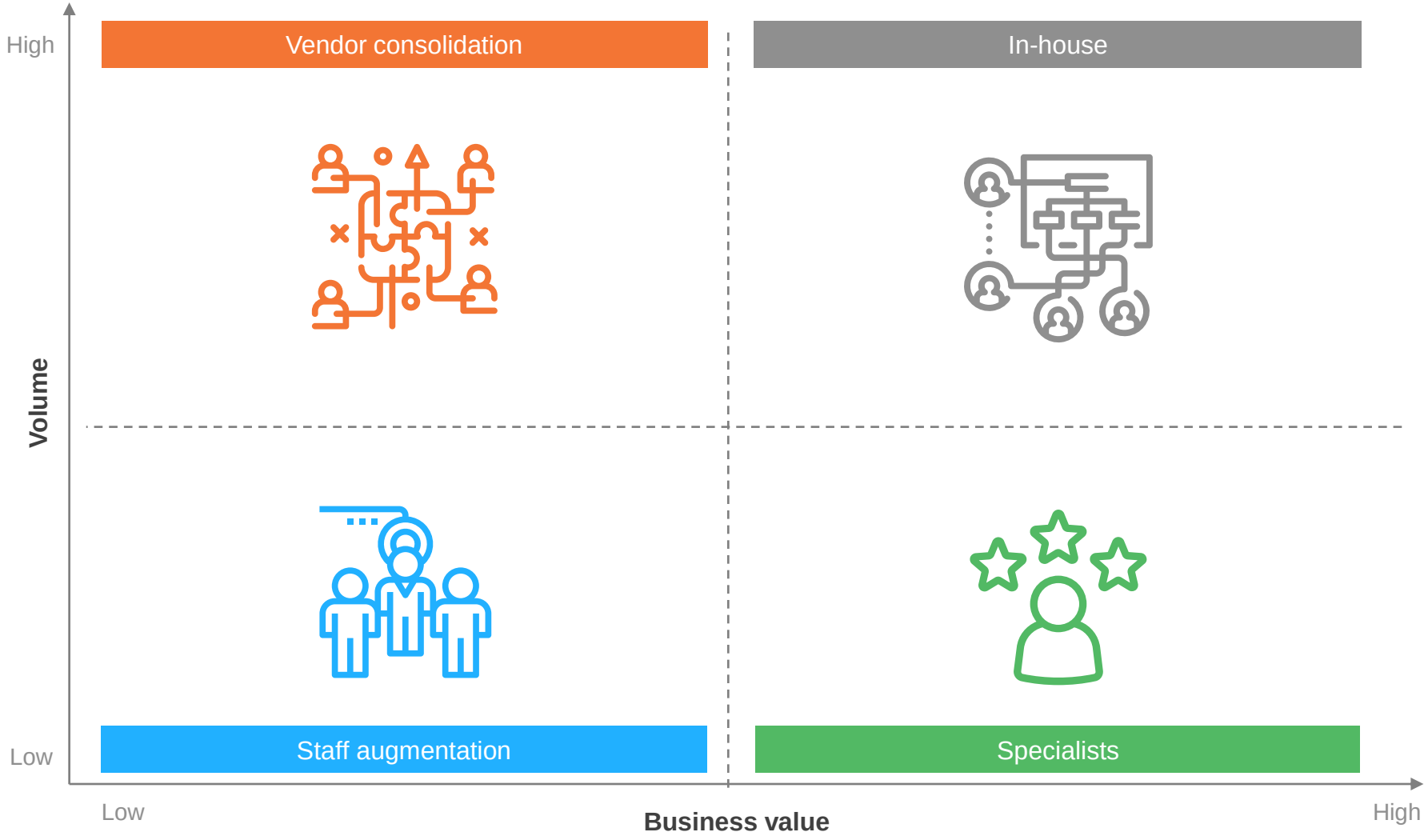
Enterprises should identify areas in which they want to engage with specialists



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It is imperative that enterprises look at the right parameters applicable to assessing specialists

The representative checklist below will help enterprises evaluate specialist IT service providers

To measure the ability to deliver services successfully

Capability		
1	Depth of solutions/services offerings	✓
2	Leadership background and vision	✓
3	Quality of delivery team; onshore consulting talent; employee satisfaction and ability to attract and retain talent	✓
4	Service delivery model agility; ability to ramp up	✓
5	Focus on innovation (co-innovation with partner ecosystem, investments in products and platforms, accelerators, etc.)	✓

To measure customer success

Market impact		
6	Clientele and client testimonials	✓
7	Operation, cost, and business impact generated for clients	✓
8	Value delivered based on client feedback	✓
9	Market relevance (due diligence on funding, investors, etc.)	✓
10	Revenue base and YoY growth; sweet-spot deal size	✓

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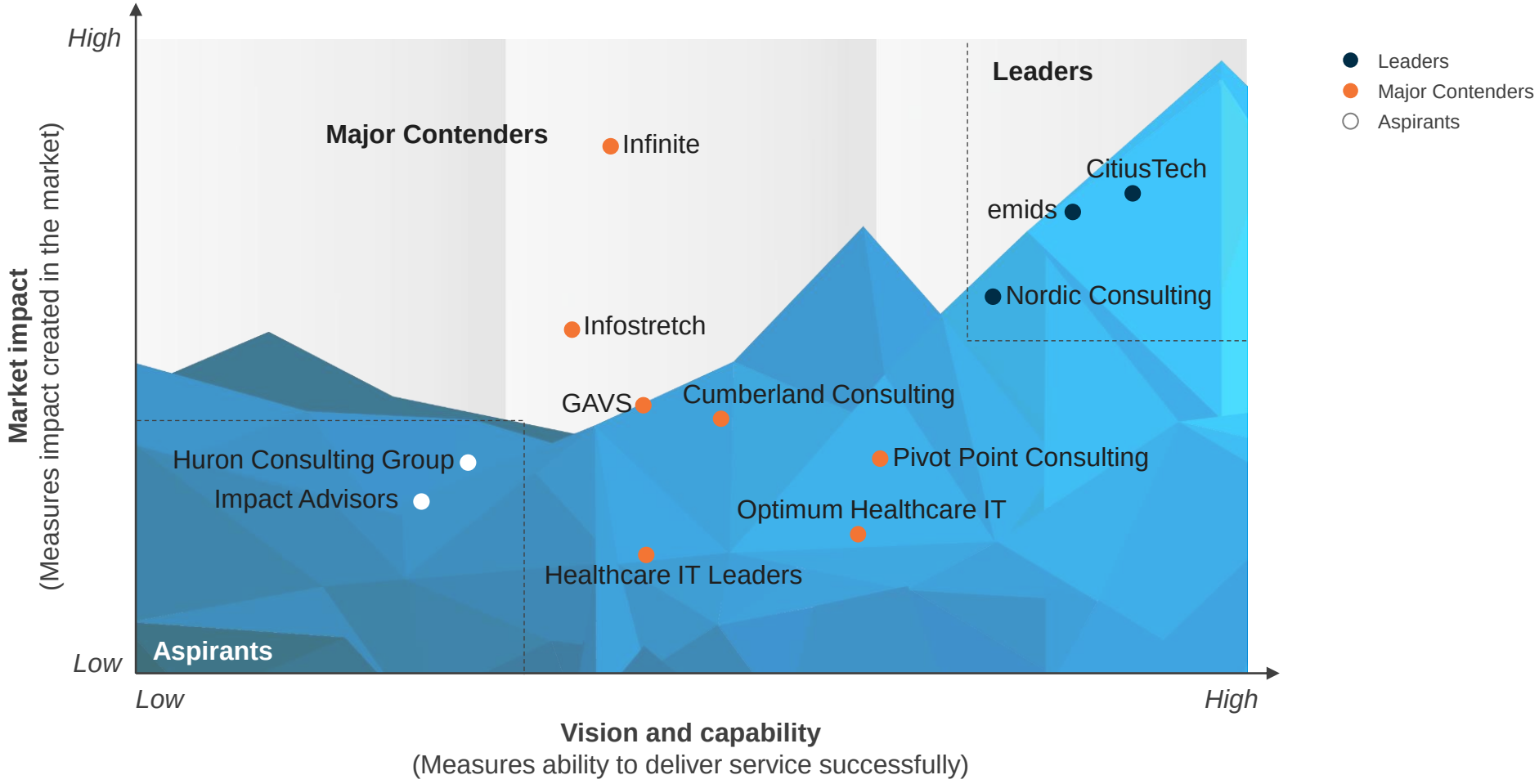
Enterprises can leverage Everest Group research to select the right IT specialist | Healthcare IT Services Specialist PEAK Matrix®

Everest Group Healthcare IT Services Specialists PEAK Matrix® Assessment 2021



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Enterprises can leverage Everest Group research to select the right IT specialist | Niche ServiceNow services partner assessment

Assessment of the niche ServiceNow Services partner ecosystem – evaluation of the top 15 specialist ServiceNow partners

From a list of 115 specialist ServiceNow partners, we identified the top 15 specialist ServiceNow partners based on product expertise, industry expertise, talent investments, and market impact.

4.65 Average CSAT among the top 15 specialist ServiceNow partners

VERSUS

4.51 Average CSAT of Global Elite partners

Specialist ASPIRANTS

- FlyForm
- HGC TECHNOLOGIES
- Volteo Digital

Specialist HIGH POTENTIALS

- CloudGo
- Crossfuze The Workflow Company
- infocenter
- inMorphis
- INRY
- PLATOMATION
- Service Line Solutions
- SUMO

Specialist LEADERS

- Cask
- GlideFast consulting
- THIRDERA
- enable

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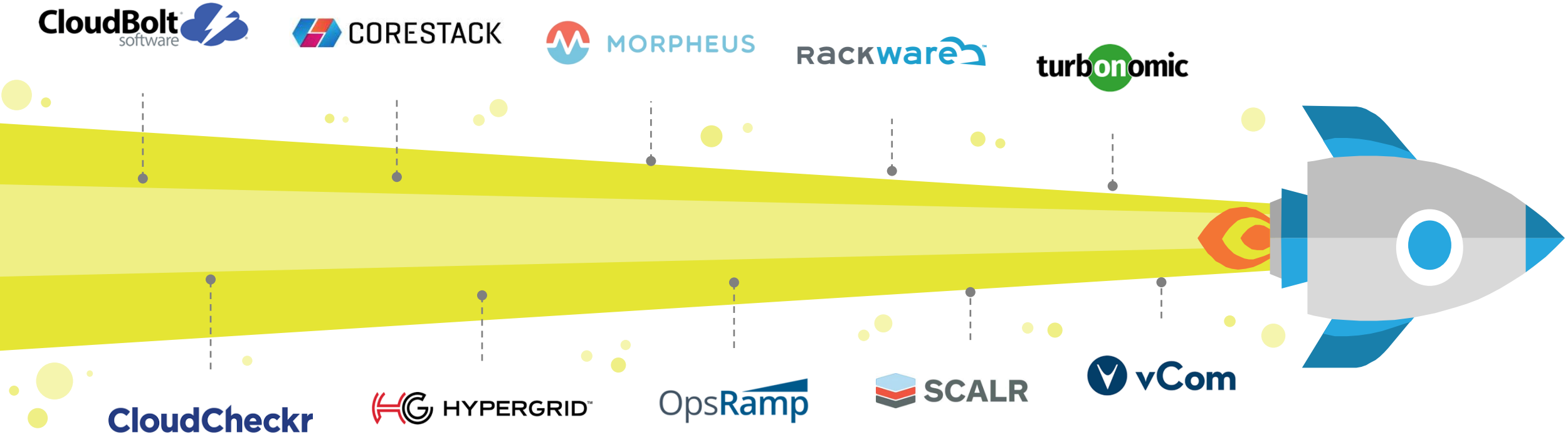
Enterprises can leverage Everest Group research to select the right IT specialist | cloud management platform trailblazers

10 startups identified as trailblazers



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Working with specialists | diversify your sourcing portfolio – identify specialists with relevant niche capabilities (Enterprises only)

Get help on your sourcing journey with Everest Group's insights on specialist vendors

Select any one of the following priorities

You will get

Everest Group vendor evaluation segments

- Healthcare IT services
- ServiceNow service partners
- Cloud management platforms

Insights on key specialist vendors

- Service delivery capabilities
- Tools and IP
- Commercial models
- Client satisfaction record

HOW

To request your complimentary insights (enterprises only), indicate your interest or contact Michel, Chirajeet (CJ), or Chunky (email addresses on an upcoming slide)

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Client case study

Assisted an Indian FinTech company identify best-fit services partners to scale its delivery unit and support growth plans

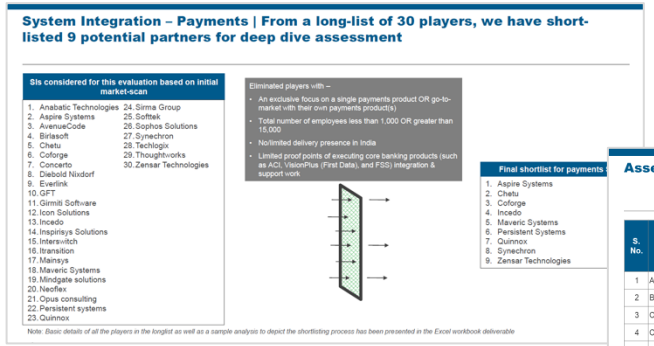
How did Everest Group help?

Finalized key attributes of an ideal partner

Compiled a long list of potential SI and application development support partners

Identified high-potential partners based on prioritization criteria

Built focused profiles on recommended vendors to highlight their unique strengths



System Integration – Payments | From a long-list of 30 players, we have short-listed 9 potential partners for deep dive assessment

SIs considered for this evaluation based on initial market-scan

1. Anabatic Technologies
2. Aspire Systems
3. AvenueCode
4. Birlasoft
5. Chetu
6. Coforge
7. Concerto
8. Diebold Nixdorf
9. Everlink
10. GFT
11. Girmiti Software
12. Icon Solutions
13. Incedo
14. Inspirisys Solutions
15. Interswitch
16. Itransition
17. Mainsys
18. Maveric Systems
19. Mindgate solutions
20. Neoflex
21. Opus consulting
22. Persistent systems
23. Quinnox
24. Sirma Group
25. Softtek
26. Sophos Solutions
27. Synechron
28. Techlogix
29. Thoughtworks
30. Zensar Technologies

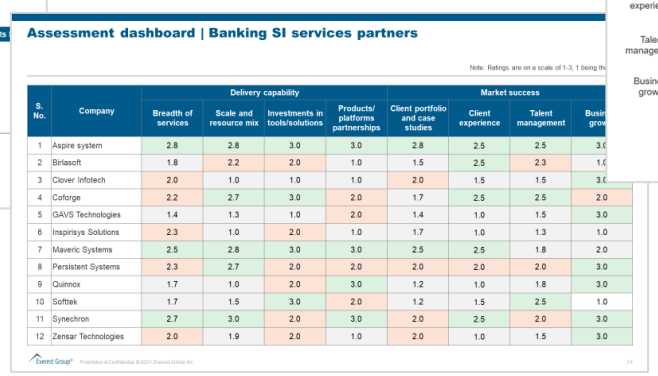
Eliminated players with –

- An exclusive focus on a single payments product OR go-to-market with their own payments product(s)
- Total number of employees less than 1,000 OR greater than 15,000
- No/limited delivery presence in India
- Limited proof points of executing core banking products (such as ACL \ VisionPlus (First Data), and FSS) integration & support work

Final shortlist for payments

1. Aspire Systems
2. Chetu
3. Coforge
4. Incedo
5. Maveric Systems
6. Persistent Systems
7. Quinnox
8. Synechron
9. Zensar Technologies

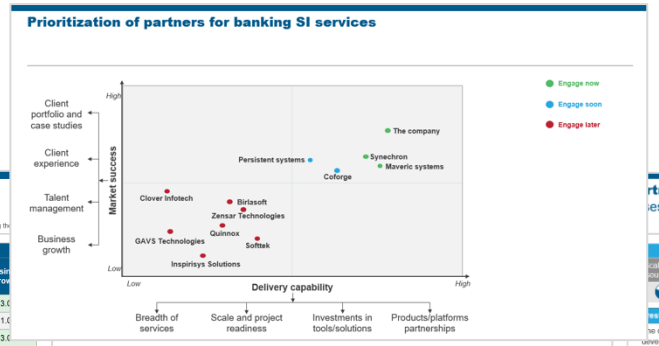
Note: *Basic details of all the players in the longlist as well as a sample analysis to depict the shortlisting process has been presented in the Excel workbook deliverable*



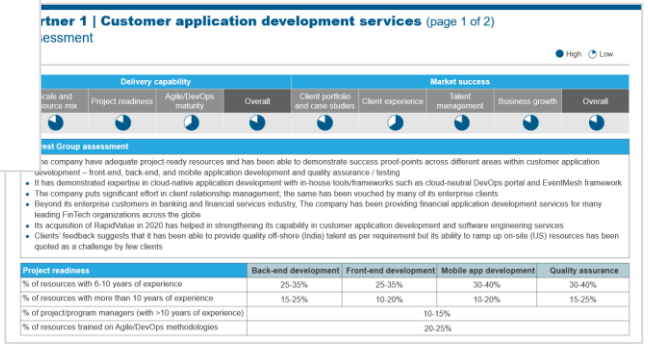
Assessment dashboard | Banking SI services partners

Note: Ratings are on a scale of 1-3, 1 being the

S. No.	Company	Delivery capability				Market success			
		Breadth of services	Scale and resource mix	Investments in tools/solutions	Products/ platforms partnerships	Client portfolio and case studies	Client experience	Talent management	Busin grow
1	Aspire system	2.8	2.8	3.0	3.0	2.8	2.5	2.5	3.0
2	Birlasoft	1.8	2.2	2.0	1.0	1.5	2.5	2.3	1.0
3	Clover Infotech	2.0	1.0	1.0	1.0	2.0	1.5	1.5	3.0
4	Coforge	2.2	2.7	3.0	2.0	1.7	2.5	2.5	2.0
5	GAVS Technologies	1.4	1.3	1.0	2.0	1.4	1.0	1.5	3.0
6	Inspirisys Solutions	2.3	1.0	2.0	1.0	1.7	1.0	1.3	1.0
7	Maveric Systems	2.5	2.8	3.0	3.0	2.5	2.5	1.8	2.0
8	Persistent Systems	2.3	2.7	2.0	2.0	2.0	2.0	2.0	3.0
9	Quinnox	1.7	1.0	2.0	3.0	1.2	1.0	1.8	3.0
10	Softtek	1.7	1.5	3.0	2.0	1.2	1.5	2.5	1.0
11	Synechron	2.7	3.0	2.0	3.0	2.0	2.5	2.0	3.0
12	Zensar Technologies	2.0	1.9	2.0	1.0	2.0	1.0	1.5	3.0



Prioritization of partners for banking SI services



rtner 1 | Customer application development services (page 1 of 2)
essment

High Low

Delivery capability				Market success				
cale and ource mix	Project readiness	Agile/DevOps maturity	Overall	Client portfolio and case studies	Client experience	Talent management	Business growth	Overall

est Group assessment

- he company have adequate project-ready resources and has been able to demonstrate success proof-points across different areas within customer application evelopment – front-end, back-end, and mobile application development and quality assurance / testing
- It has demonstrated expertise in cloud-native application development with in-house tools/frameworks such as cloud-neutral DevOps portal and EventMesh framework
- The company puts significant effort in client relationship management; the same has been vouched by many of its enterprise clients
- Beyond its enterprise customers in banking and financial services industry, The company has been providing financial application development services for many leading FinTech organizations across the globe
- Its acquisition of RapidValue in 2020 has helped in strengthening its capability in customer application development and software engineering services
- Clients' feedback suggests that it has been able to provide quality off-shore (India) talent as per requirement but its ability to ramp up on-site (US) resources has been quoted as a challenge by few clients

Project readiness	Back-end development	Front-end development	Mobile app development	Quality assurance
% of resources with 6-10 years of experience	25-35%	25-35%	30-40%	30-40%
% of resources with more than 10 years of experience	15-25%	10-20%	10-20%	15-25%
% of project/program managers (with >10 years of experience)	10-15%			
% of resources trained on Agile/DevOps methodologies	20-25%			

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Everest Group assists procurement teams in capturing value from their services spend through memberships and focused projects

Memberships

Intended toward helping drive efficient and informed sourcing decisions via two key engagement levers

Published research

Access to best-in-class research reports that examine engineering spending and sourcing from a variety of lenses:

- IT talent and location trends
- Service provider landscape
- Technology trends
- Sourcing trends

On-demand analyst access

On-going analyst access for additional perspectives and interpretations on topics aligned with published research reports

- Report debriefs
- Custom data-cuts
- Analyst discussions

Projects

Enterprises

- Sourcing strategy
- Location strategy
- Talent strategy
- Peer intelligence
- Global Business Services (GBS) Center evolution

Service providers

Strategy	Differentiation	Growth
Opportunity assessment	Market messaging	Account strategy
GTM strategy	Thought leadership	Account intelligence
Ecosystem strategy	Webinars/workshops	Price & solution reviews
Inorganic growth	Voice-of-the-customer	Live deal support

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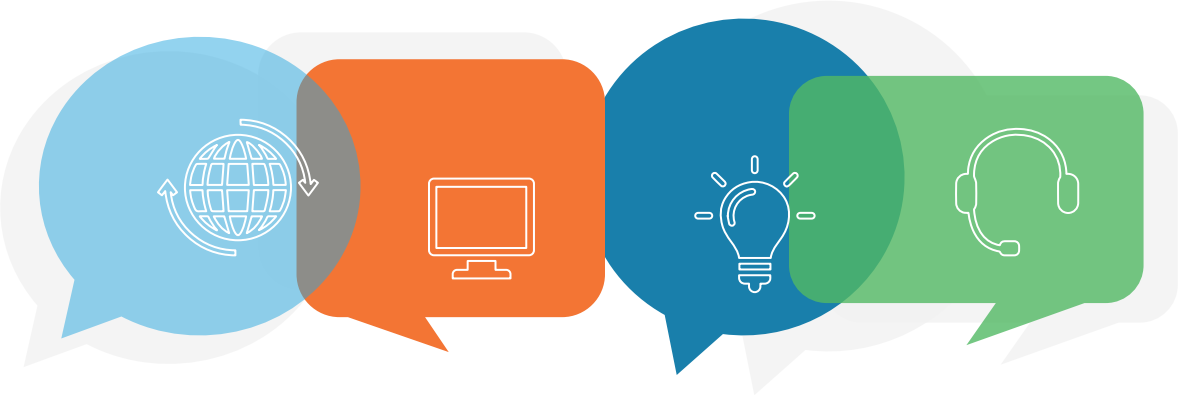

To ask a question during the Q&A session

- Access the **Questions** panel within the Zoom console, which is typically located on the bottom of your Zoom window
- Type your question in the dialogue box, then select **Send** to submit the question to our session Organizers/Panelists

- Attendees will receive an email with instructions for accessing today's presentation
- To ask a specific follow-up question, or for a complimentary discussion with our analysts, please contact:
  - Michel Janssen, michel.janssen@everestgrp.com
  - Chirajeet Sengupta, chirajeet.sengupta@everestgrp.com
  - Chunky Satija, chunky.satija@everestgrp.com

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- Rise of IT Services Specialists: Delivering on the Service Contextualization Mandate
- Assessment of the Niche ServiceNow Services Partner Ecosystem – Evaluation of the Top 15 Specialist ServiceNow Partners
- Cloud Management Platform Trailblazers: Top 10 Start-ups Creating Buzz in the Market
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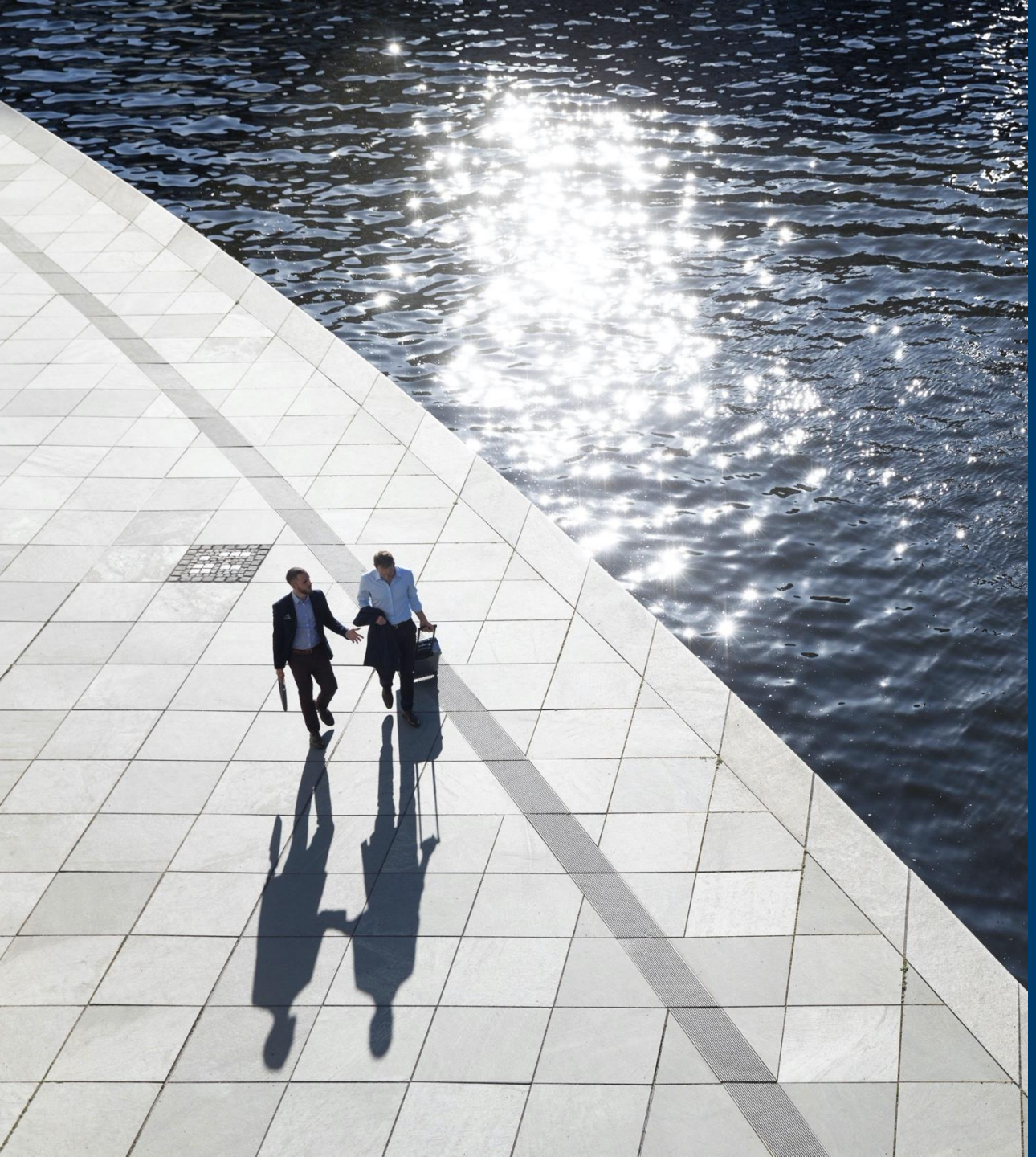

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