



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

Focus on HCLTech  
February 2023



# Introduction

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 [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 full 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:

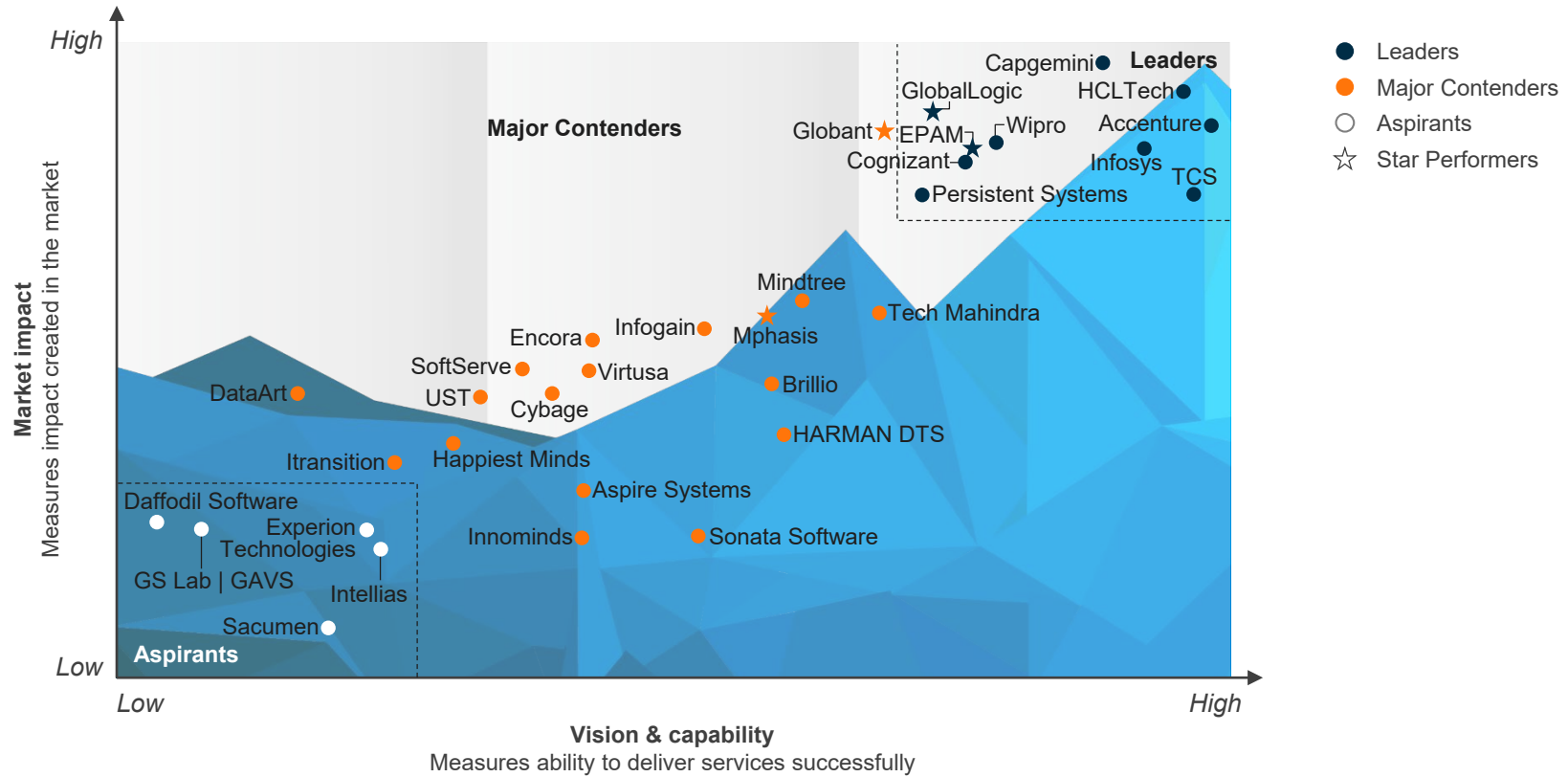
Daffodil Software, Experion Technologies, GS Lab | GAVS, Intellias, and Sacumen

- 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 | HCLTech positioned as Leader

Everest Group Software Product Engineering Services PEAK Matrix® Assessment 2022<sup>1,2</sup>



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)

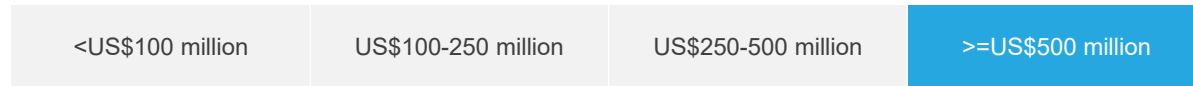
# HCLTech | software product engineering services profile (page 1 of 4)

## Overview

### Vision and strategy

HCLTech aims to create a partner ecosystem for its customers to address modern-day consumer and economic demands by developing a differentiated growth strategy, backed by investments in products, platforms, next-generation technologies, solution accelerators, lab infrastructure, and business models. It envisions adopting an ecosystem-driven approach to unlock innovation and business value for its customers, thus enabling HCLTech to align to changing consumer demands and infrastructure and agile business needs.

### Software product engineering services revenue (CY 2021)



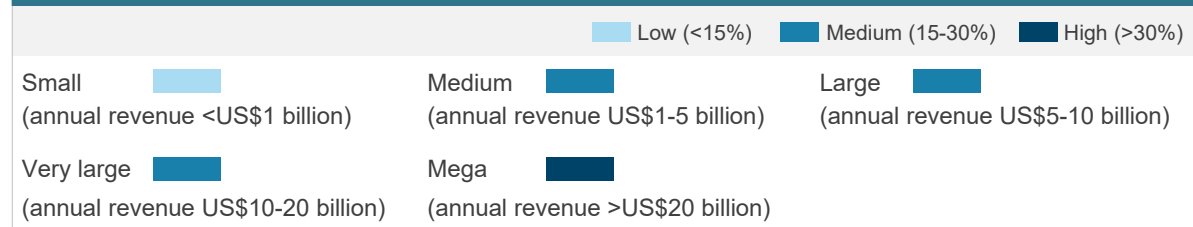
### YoY growth rate in software product engineering services revenue (CY 2021)



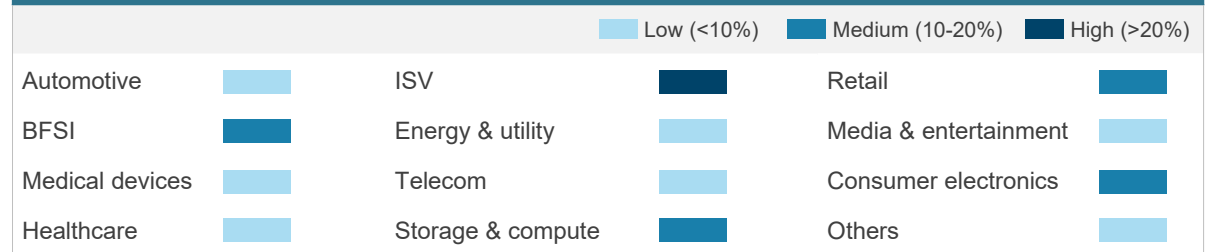
### Revenue derived from cloud engineering initiatives (CY 2021)



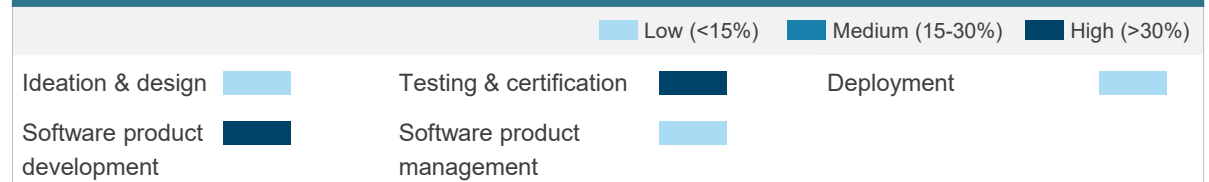
### Projects by buyer size



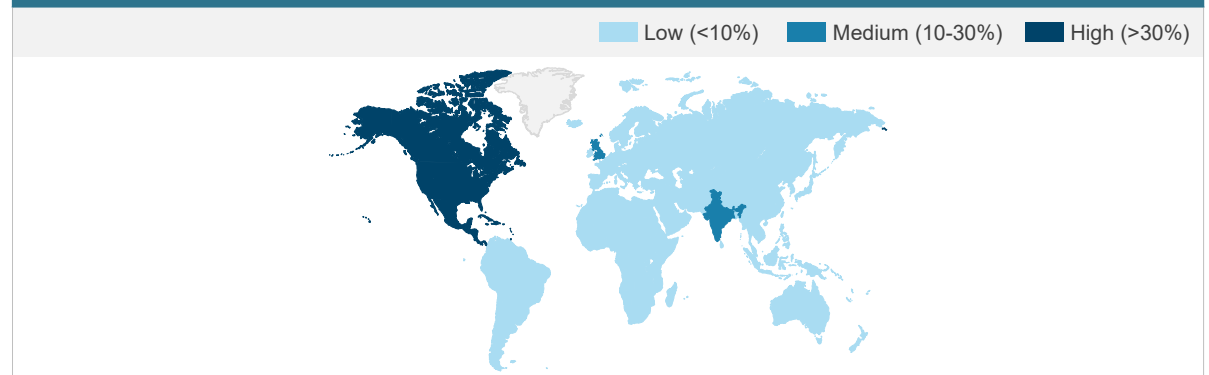
### Adoption by vertical



### Adoption by value chain element



### Adoption by geography



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

## Case studies and solutions

<b>Case study 1</b>	<b>Helped a money transfer enterprise in transforming to a digital FinTech firm</b>
<p><b>Business challenge</b> The client wanted to transform into a financial services and communications company by verticalizing into digital business and creating a consumer-facing ecosystem.</p> <p><b>Solution and Impact</b> HCLTech helped the client by creating and upscaling the customer journey from retail to digital and establishing 25% of total revenue through digital while focusing on cloud, analytics, automation, and digital transformation.</p>	

<b>Case study 2</b>	<b>Helped an e-commerce client to enable an immersive consumer experience across international markets</b>
<p><b>Business challenge</b> The client wanted to grow its e-commerce business by 25% through direct-to-consumer sales via various customer journeys and channels. It was looking for a technology partner that could develop responsive pages with standard accessibility functions and solutions, thus enabling a simplified user experience and ensuring a consistent brand design.</p> <p><b>Solution and Impact</b> HCLTech performed a detailed assessment to select the best fit commerce platform and implemented a single platform supporting different consumer journeys and experiences. The platform was initially deployed for two markets, followed by a global rollout across all 40 international markets. This enabled the client to deliver a visual and immersive digital experience to its customers, thus driving growth through personalization and operational excellence.</p>	

Proprietary solutions (representative list)	
Solution	Details
AION™	An ML-based platform that provides customers with the capacity to build prototypes to help solve business problems
Connected Assets in Regulated Environment (CARE)	A platform for medical devices, containing the necessary building blocks to accelerate the development of next-generation software and services
Cloud Bridge Suite	A suite of independent solution accelerators built on agile, DevOps, and low-code and no-code principles to drive end-to-end cloud transformation
eDAT™	A customizable framework for the automated testing of electronic devices that reduces testing costs, time-to-market, and defect leakage
NIPPON	A contactless and automated solution that accurately captures effort and output data, keeping employee privacy at its core in a remote working environment
PICASSO™	A platform to build and implement digital service platforms on top of a connected ecosystem of assets
PLATFORM – X	A digital engagement platform that enables brands to improve consumer loyalty and drive conversions through personalized omnichannel marketing
Xtern	An XR Service Delivery Platform (SDP) to develop, publish, and deliver Extended Reality (XR) use cases / applications at scale

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

## Investments and partnerships

### Key alliances and partnership (representative list)

Company	Details
AWS	A dedicated AWS business unit to help enterprises accelerate their cloud transformation journey
IBM	An alliance to deliver digital application modernization, integrated application-infrastructure autonomics and orchestration, mainframe transformation, and advanced cognitive capabilities to customers
Google Cloud	A partnership with Google Cloud Ecosystem unit to accelerate enterprise cloud adoption by helping them plan and execute large-scale migrations
Microsoft	A partnership focused on enabling enterprise customers embrace innovation by migrating to and building cloud native services
SAP	A strategic services partnership to enable complex SAP transformation programs
VMware	A partnership to drive innovation, enable cloud infrastructure and business mobility, and accelerate customers' digital transformation journey
Tableau	A partnership to enable actionable data-driven business insights for enterprises across verticals and geographies










### Recent software product engineering services investments/acquisitions (representative list)

Investment/target	Company description
Labs & CoEs	Investment over US\$60 million in setting up 100+ engineering labs and 20+ CoEs, globally enabling HCLTech to innovate and deliver value to customers across the software product engineering services space
Quest Informatics	Acquisition to enhance capabilities around cloud-enabled aftermarket ERP, field service management, and digital parts catalog product suites and to expand presence in the digital aftermarket space
Starschema	Acquisition to enhance the capability in data engineering and increase its presence in Europe
Talent Development	Investment in developing digital talent to support the growing demand from enterprise customers in the ever-evolving software engineering space

# HCLTech | 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

- HCLTech has invested in IP solutions, partnerships, and infrastructure to enhance skills around cloud engineering, automation, user experience, and modernization
- The company makes significant use of emerging pricing models such as revenue sharing, risk-reward, and outcome-based pricing
- HCLTech has expanded its nearshore capabilities via acquisitions (Starschema in Eastern Europe) and partnerships (joint GTM with NEORIS in LATAM)
- It has a balanced mix of clients spread across small, midsize, and large enterprises and a delivery footprint spread across onshore, nearshore, and offshore regions

### Limitations

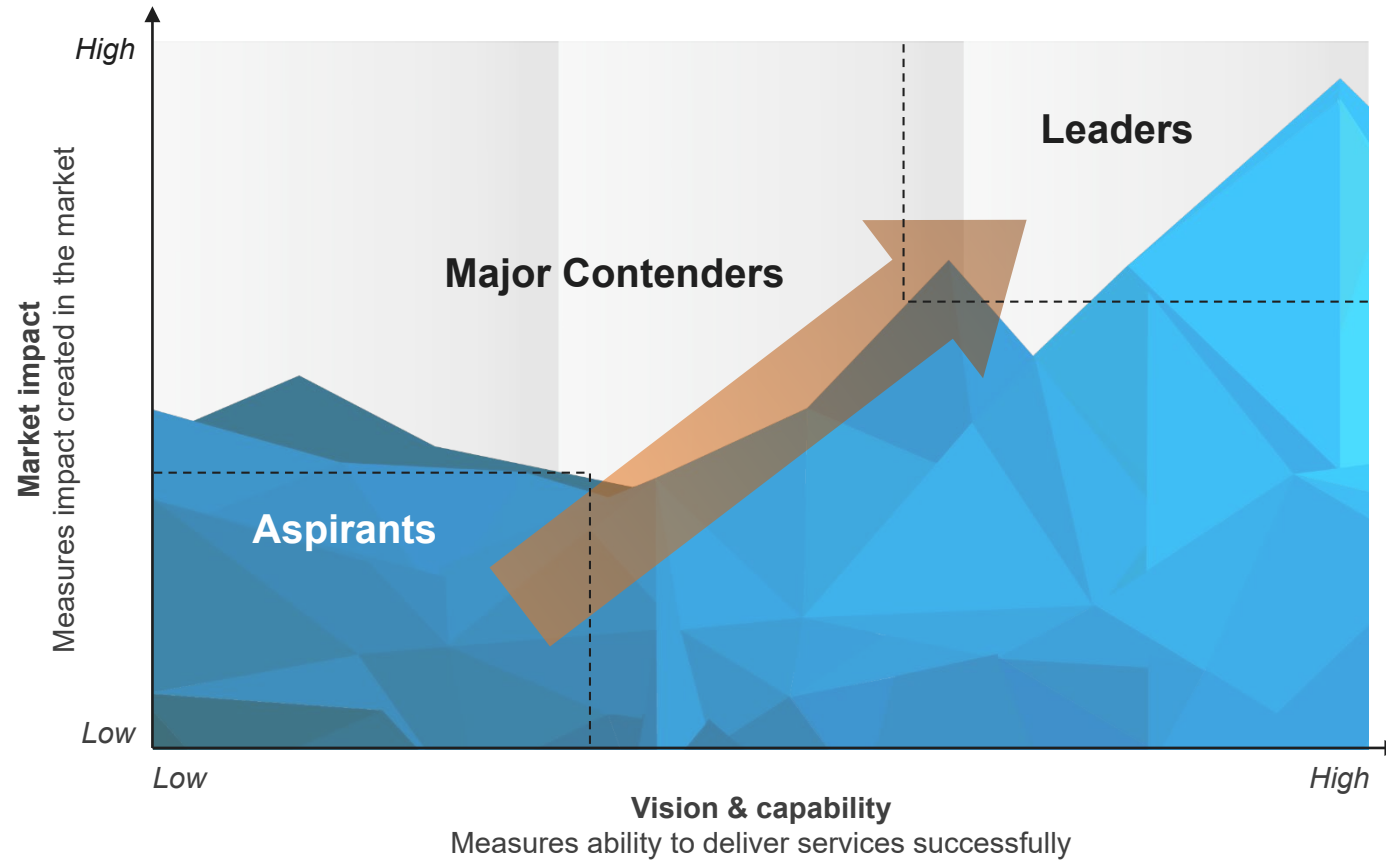
- Clients expect HCLTech to increase focus on domain knowledge and provide better business recommendations and insights
- Clients want HCLTech to manage attrition and improve its talent retention practices that help ensure continuity in engagement delivery



# Appendix

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

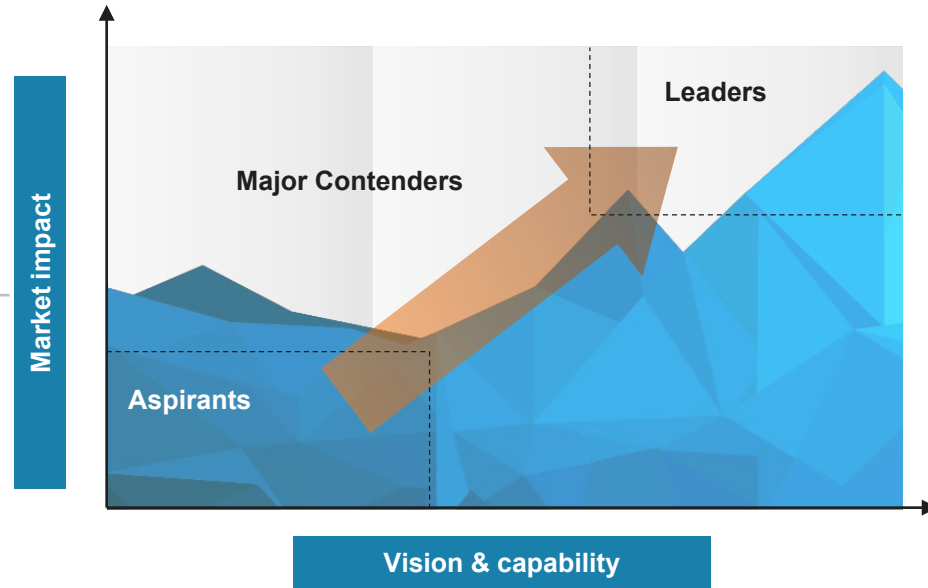
Everest Group PEAK Matrix



# 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



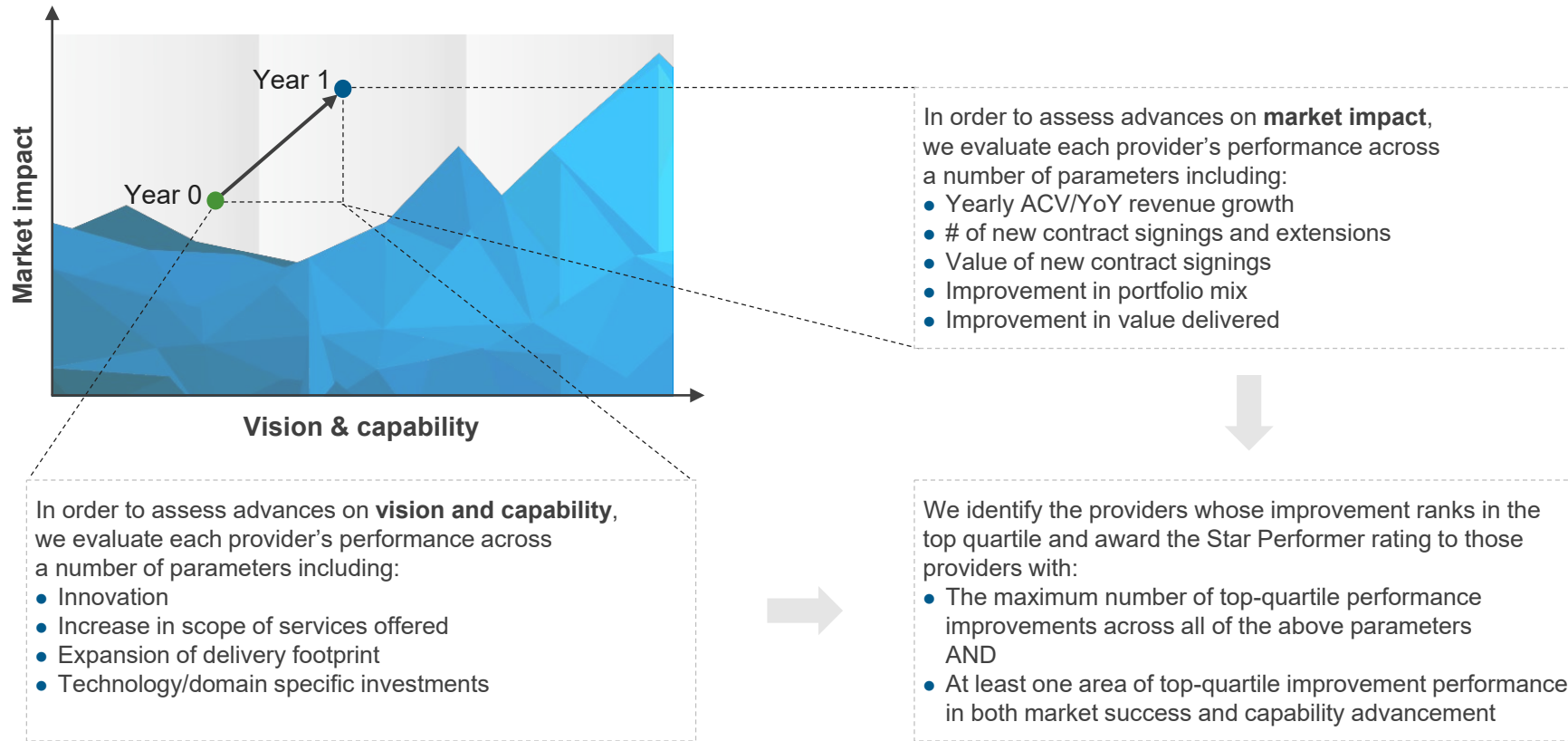
Measures ability to deliver services successfully. This is captured through four subdimensions

- 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](http://www.everestgrp.com).

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