Everest Group PEAK Matrix™ for Cloud Service Providers 2020

Focus on HCL Technologies

January 2020

Introduction and scope

Everest Group recently released its report titled "Cloud Services PEAK Matrix™ Assessment and Compendium 2020." This report analyzes the changing dynamics of the cloud services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 25 service providers on the Everest Group PEAK Matrix™ for cloud services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of cloud service providers based on their absolute market success and delivery capability.

Based on the analysis, **HCL Technologies emerged as a Leader**. This document focuses on **HCL Technologies'** cloud services experience and capabilities and includes:

- HCL Technologies' position on the cloud services PEAK Matrix
- Detailed cloud services profile of HCL Technologies

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers' relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

Source: Everest Group (2020)

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Background of the research

Enterprises are increasingly leveraging cloud services in their pursuit of the digital businesses model as they seek to align cloud value proposition with business goals. Early adopters were seeking efficiency, but as the cloud services matured, the adoption of the cloud are driven by digital business needs such as faster time to value, better quality to satisfy the customers, more flexibility to react to an uncertain market, and a high availability of critical systems. Proliferation of cloud offerings in the market, coupled with management complexities and talent crunch are pushing enterprises to seek third-party support. Service providers can help enterprises with their transformation agenda in an increasingly multi-cloud, hybrid, and open cloud market.

In this research, we present an assessment and detailed profiles of 25 IT service providers featured on the cloud services PEAK Matrix™. Each service provider profile provides a comprehensive picture of its service focus, key Intellectual Property (IP)/solutions, domain investments, and case studies. The assessment is based on Everest Group's annual RFI process for the calendar year 2019, interactions with leading cloud services providers, client reference checks, and an ongoing analysis of the cloud services market.

Scope of this report

- **Services:** Cloud services
- **Geography:** Global
- **Service providers:** 25 leading cloud services providers

This report includes the profiles of 25 leading cloud service providers featured on the cloud services PEAK Matrix. They are as follows:

- **Leaders:** Accenture, Capgemini, Cognizant, HCL Technologies, IBM, TCS, and Wipro
- **Major Contenders:** Atos, CSS Corp, DXC Technology, Ensono, Fujitsu, Hexaware, Infosys, Microland, Mphasis, NTT DATA, Tech Mahindra, UST Global, and Virtusa
- **Aspirants:** GAVS Technologies, Happiest Minds, NIIT Technologies, YASH Technologies, and Zensar

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Cloud services PEAK Matrix™ characteristics

Leaders:

Accenture, Capgemini, Cognizant, HCL Technologies, IBM, TCS, and Wipro

- Leaders in the cloud services have established successful businesses in global cloud services, driven by capability building and experience across the end-to-end cloud services spectrum (i.e., consult, build/design, and manage) in different industry verticals
- These players continue to proactively drive investments in next-generation technology themes and services capability development (internal IP/tools, partnerships, and acquisitions)
- Leaders have a strong focus on driving alignment between the business and IT teams of enterprises to drive higher value through contextual solutions tailored to specific enterprise requirements
- All Leaders have a strong focus on driving large-scale / complex cloud transformation, specifically for the large enterprise segment (with annual revenue greater than US$5 billion)

Major Contenders:

Atos, CSS Corp, DXC Technology, Ensono, Fujitsu, Hexaware, Infosys, Microland, Mphasis, NTT DATA, Tech Mahindra, UST Global, and Virtusa

- Major Contenders in the cloud services space include a mix of global players with a credible infrastructure legacy as well as Indian-heritage service providers
- While global players strongly leverage/include their assets and datacenter footprint along with their cloud services offerings, "asset-light" providers leverage their partner technology ecosystem to provide these services
- These companies continue to invest aggressively in building their IP, partnership ecosystem, and delivery capabilities across the public, private, and hybrid cloud services spectrum, as well as in increasing their global coverage

Aspirants:

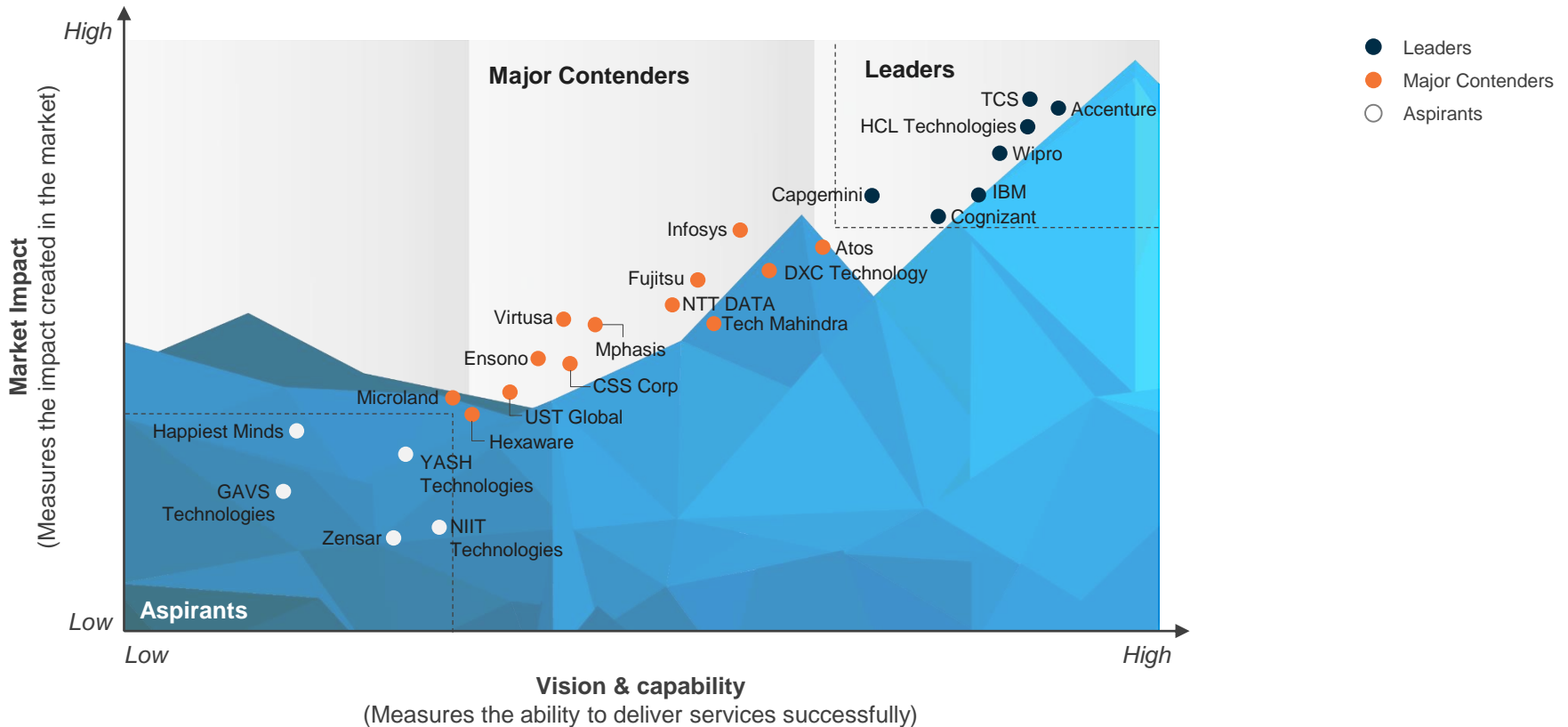GAVS Technologies, Happiest Minds, NIIT Technologies, YASH Technologies, and Zensar

- The cloud services business of Aspirants is in the initial stages of growth and is currently not a leading revenue generator for these players
- While these service providers are making investments to build delivery capabilities and IP/tools, they will also need to develop and strengthen cloud advisory and design services capabilities to build market awareness and credibility as strategic transformation partners for enterprises

Cloud Services PEAK Matrix™ Assessment 2020 |
HCL Technologies positioned as Leader

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Everest Group Cloud Services PEAK Matrix™ Assessment 2020

Legend:
- ● Leaders
- ● Major Contenders
- ○ Aspirants

Chart axes:
- Vertical: **Market Impact** (Measures the impact created in the market), from Low to High
- Horizontal: **Vision & capability** (Measures the ability to deliver services successfully), from Low to High

Quadrant labels: Major Contenders, Leaders, Aspirants

Plotted providers (Leaders): TCS, Accenture, HCL Technologies, Wipro, IBM, Cognizant, Capgemini

Plotted providers (Major Contenders): Infosys, Atos, DXC Technology, Fujitsu, NTT DATA, Tech Mahindra, Virtusa, Mphasis, Ensono, CSS Corp, Microland, UST Global, Hexaware

Plotted providers (Aspirants): Happiest Minds, YASH Technologies, GAVS Technologies, Zensar, NIIT Technologies

Note: Assessments for Fujitsu and IBM; excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with buyers
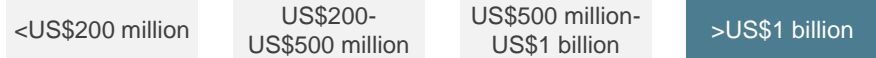
Overview

Strengths
• HCL Technologies has positioned itself as a transformation partner with ongoing investments in building its cloud native capabilities and well-defined frameworks, IPs, tools, and accelerators • It has a robust and comprehensive portfolio of cloud services built on a strong partner ecosystem, transformation talent, and delivery experience

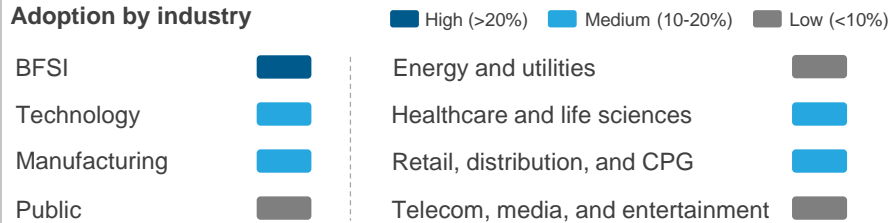| Areas of improvement |
|---|
| • HCL needs to be proactive in breaking down the silos amongst the service lines and create a unified cloud services front
• While HCL's cloud services vision is comprehensive, clients have pointed out an idea-to-implementation gap in next-generation themes such as microservices, container orchestration, and serverless |

Cloud services revenue

<US$200 million	US$200-US$500 million	US$500 million-US$1 billion	>US$1 billion

Adoption by service segments   High (>20%)   Medium (10-20%)   Low (<10%)

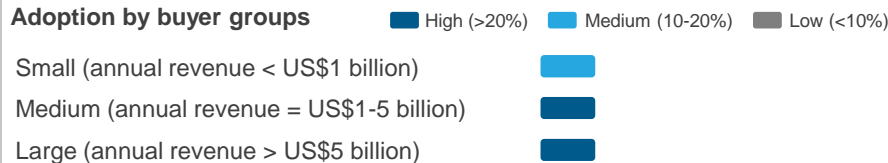| Consulting services	Medium	Managed services	High
Build/design services	High	Cloud security services	Low

Scope of coverage

HCL Technologies' cloud services portfolio includes cloud consulting, assessment, implementation, migration, and modernization. It also includes cloud computing platform implementation, SaaS services, AI-enabled automated operations, and DevOps support. It has around 14,000 FTEs skilled in cloud services.
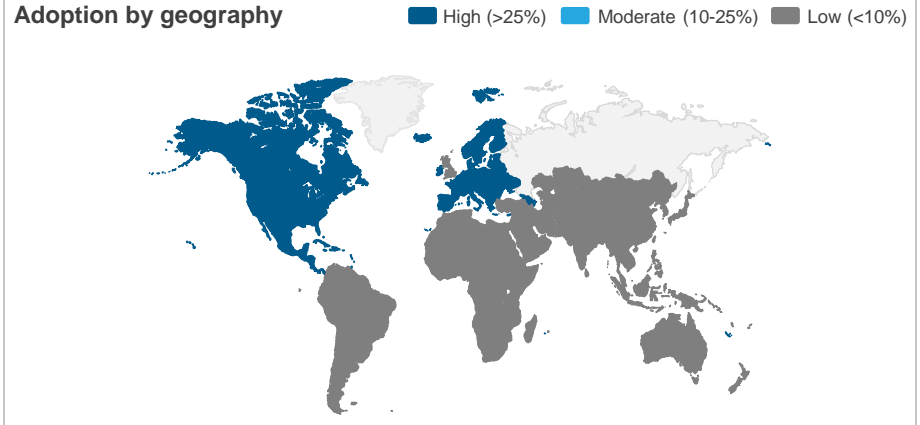
Adoption by industry   High (>20%)   Medium (10-20%)   Low (<10%)

BFSI	High	Energy and utilities	Low
Technology	Medium	Healthcare and life sciences	Medium
Manufacturing	Medium	Retail, distribution, and CPG	Medium
Public	Low	Telecom, media, and entertainment	Low

Adoption by buyer groups   High (>20%)   Medium (10-20%)   Low (<10%)

Small (annual revenue < US$1 billion)	Medium
Medium (annual revenue = US$1-5 billion)	High
Large (annual revenue > US$5 billion)	High

Adoption by geography   High (>25%)   Moderate (10-25%)   Low (<10%)

Source: Everest Group (2020)

Offerings

HCL Technologies aims to help enterprises achieve a "cloud state-of-mind", thereby enabling enterprises to achieve their goals for business growth, greater resilience, and faster innovation. HCL leverages AI, ML, cybersecurity and cognitive services to make cloud adoption and management simpler for its customers. HCL Cloud Native Labs, strategic partner collaboration, and intellectual properties are the differentiating factors for HCL.

Proprietary solutions (representative list)	
Solution	**Details**
MyCloud	Provides end-to-end hybrid cloud management features including assessment, migration, and testing frameworks for cloud deployment
iAutomate	An intelligent process automation solution bringing in AI and collaboration capabilities in the IT operations space that helps in achieving an end-to-end automation state
ElasticOps	AI-based cloud management and operations solution for public cloud and select software defined infrastructures powered by HCL DRYiCE Autonomics
ContainerizIT	An end-to-end fully managed solution for managing the entire container lifecycle
Dprizm	A comprehensive assessment tool for cloud and application modernization. Its services include cloud readiness assessment, migration roadmap, target platform discerning, and the creation of business case for the cloud
U4X	An on-demand pay-per-use private cloud offering with pre-configured/ purpose built end-to-end cloud infrastructure

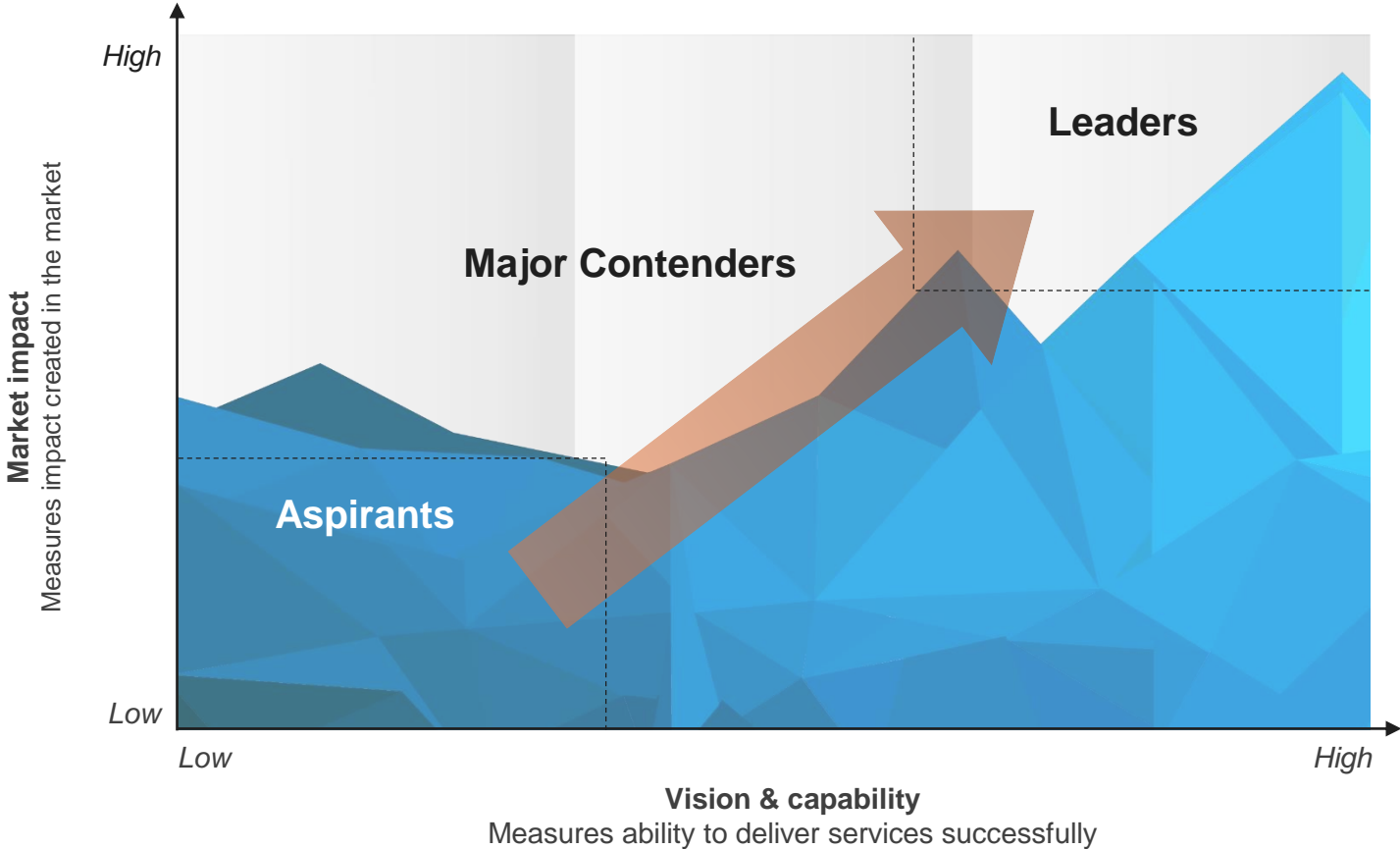| Cloud services partnerships (representative list)		
Partner name	**Type of partnership**	**Details**
AWS	Service partnership	A premier consulting partner of AWS, it offers cloud management services to enterprise customers
Azure	Service partnership	A certified managed services partner and a Gold partner for cloud platform, cloud productivity, and cloud analytics
GCP	Service partnership	A premier partner of GCP to expand the adoption of GCP at scale, HCL is also an early adopter of Anthos, Google Cloud's new open cloud platform
HCL also has partnerships with IBM, Pivotal, Dockers, EMC, NetApp, HP, Cisco, BMC, Nutanix, and Commvault.		

Recent activities (representative list)	
Development	**Details**
Lab investments	Invested in establishing 40+ innovation labs that focus-on cloud, automation, digital, IoT, and cybersecurity. It has invested in Lab 21 and four cloud native labs to accelerate the creation of new-generation cloud and AI solutions

Source: Everest Group (2020)

Appendix

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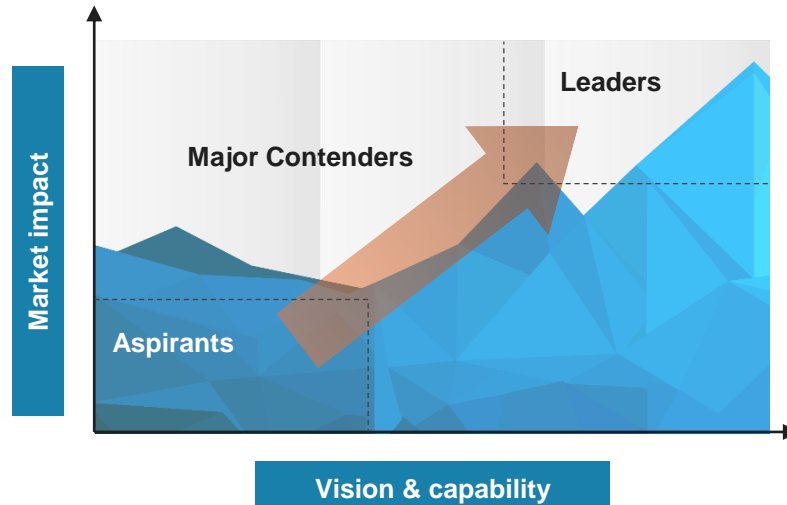
Everest Group PEAK Matrix

Market impact
Measures impact created in the market

High

Low

Leaders

Major Contenders

Aspirants

Low

High

Vision & capability
Measures ability to deliver services successfully

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Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions
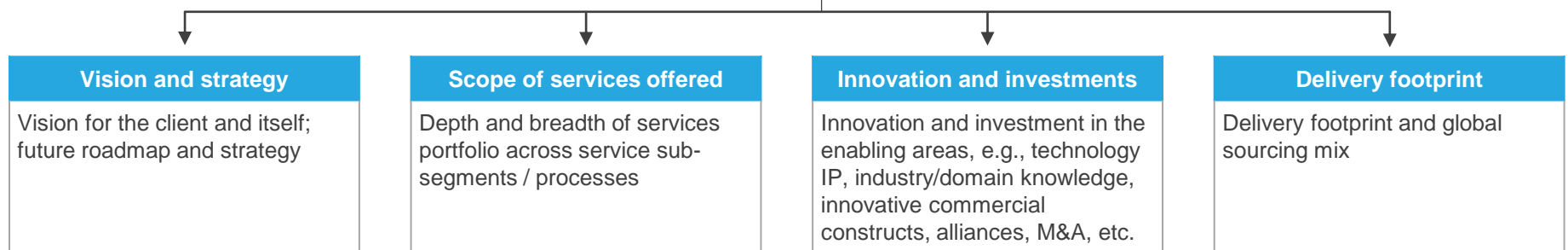
Market adoption
No. of clients, revenue base, and YOY growth, deal value/volume

Portfolio mix
Diversity of client/revenue base across geos and type of engagements

Value delivered
Value delivered to the client based on customer feedback and transformational impact

Market impact

Leaders

Major Contenders

Aspirants

Vision & capability

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 sub-segments / 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

FAQs

Does the PEAK Matrix™ assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned 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 service 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 PEAK Matrix assessment are relevant to buyers and providers besides the "PEAK Matrix position"?
A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a "Leader", "Major Contender," or "Aspirant" title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
● Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
● Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own "profile" that is published by Everest Group as part of the "compendium of PEAK Matrix providers" profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or "Star Performer" status ?
● Providers/vendors can use their PEAK Matrix positioning or "Star Performer" rating in multiple ways including:
  – Issue a press release declaring their positioning. See citation policies
  – Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  – Quotes from Everest Group analysts could be disseminated to the media
  – Leverage PEAK Matrix 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 the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve present and future needs of the enterprises. 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 as well as serve the future expectations of enterprises

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About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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