Everest Group Application Transformation Services PEAK Matrix® Assessment 2024 – Europe

Focus on **Deloitte**

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PEAK
MATRIX®

Introduction

In light of evolving customer expectations and the need for enhanced productivity and efficiency, the importance of application transformation has grown significantly for enterprises.

To harness the full potential of emerging technologies, businesses are taking transformation steps and moving away from outdated legacy systems. With the looming macro-economic uncertainty, European enterprises are focusing on application transformation initiatives to realize business value with each transformation step. Further, there is a sustained drive toward sustainability, compliance, and regulatory adherence. Service providers are, in turn, enhancing their offerings through strategic partnerships with technology and platform providers and developing Intellectual Property (IP) to deliver higher Return on Investment (RoI) and gain enterprise confidence. Additionally, they are making substantial investments to expand their regional delivery centers in Europe to bolster local service delivery and ensure better proximity to customers

In this research, we present an assessment and detailed profiles of 26 application transformation service providers featured on the Application Transformation Services PEAK Matrix® – Europe.

Each provider profile provides a comprehensive picture of its service focus, key IP / solutions, domain investments, and case studies. The assessment is based on Everest Group's annual RFI process for calendar year 2023, interactions with leading application transformation service providers, client reference checks, and an ongoing analysis of the application transformation services market.

The full report includes the profiles of the following 26 leading application transformation service providers featured on the Application Transformation Services PEAK Matrix – Europe:

- **Leaders:** Accenture, Capgemini, Deloitte, HCLTech, IBM, Infosys, TCS, and Wipro

- **Major Contenders:** CI&T, DataArt, DXC Technology, Fujitsu, Hitachi Digital Services, Kyndryl, LTIMindtree, Mphasis, Nous Infosystem, PwC, Sopra Steria, Stefanini, Tech Mahindra, and UST

- **Aspirants:** Datamatics, SLK Software, Sonata Software, and Virtusa

Scope of this report

Geography: Europe

Industry: Market activity and investments of 26 leading application transformation service providers

Services: Application transformation services

Application Transformation Services PEAK Matrix® – Europe | characteristics

Leaders

Accenture, Capgemini, Deloitte, HCLTech, IBM, Infosys, TCS, and Wipro

- Leaders have displayed a focused vision and strategy to drive application transformation for European enterprise clients through a credible suite of branded IP and solution accelerators and a balanced services portfolio with mature advisory and implementation capabilities

- They are making strategic investments to expand their partnership ecosystem with hyperscalers, transformation-centric technology vendors, and niche start-ups; they continue to keep pace with market dynamics and make headway into disruptive themes such as generative AI to deliver productivity benefits across the Software Development Life Cycle (SDLC)

- Providers in this category have built strong onshore and nearshore capabilities across Europe to expand their localized service delivery footprint to ensure European enterprises' geo-specific objectives such as adherence to regulatory compliances, meeting ESG mandates, and maintaining cultural nuances in delivery are taken care of

Major Contenders

CI&T, DataArt, DXC Technology, Fujitsu, Hitachi Digital Services, Kyndryl, LTIMindtree, Mphasis, Nous Infosystem, PwC, Sopra Steria, Stefanini, Tech Mahindra, and UST

- While these providers are driving focus on strengthening their service offerings through dedicated investments in IP development and partner network expansion, their service portfolios and delivery capabilities are not as balanced as those of Leaders

- They continue to exhibit strong industry credentials for delivering application transformation services across key verticals, geographies, and enterprise buyer groups in Europe, making them strong competitors to Leaders

Aspirants

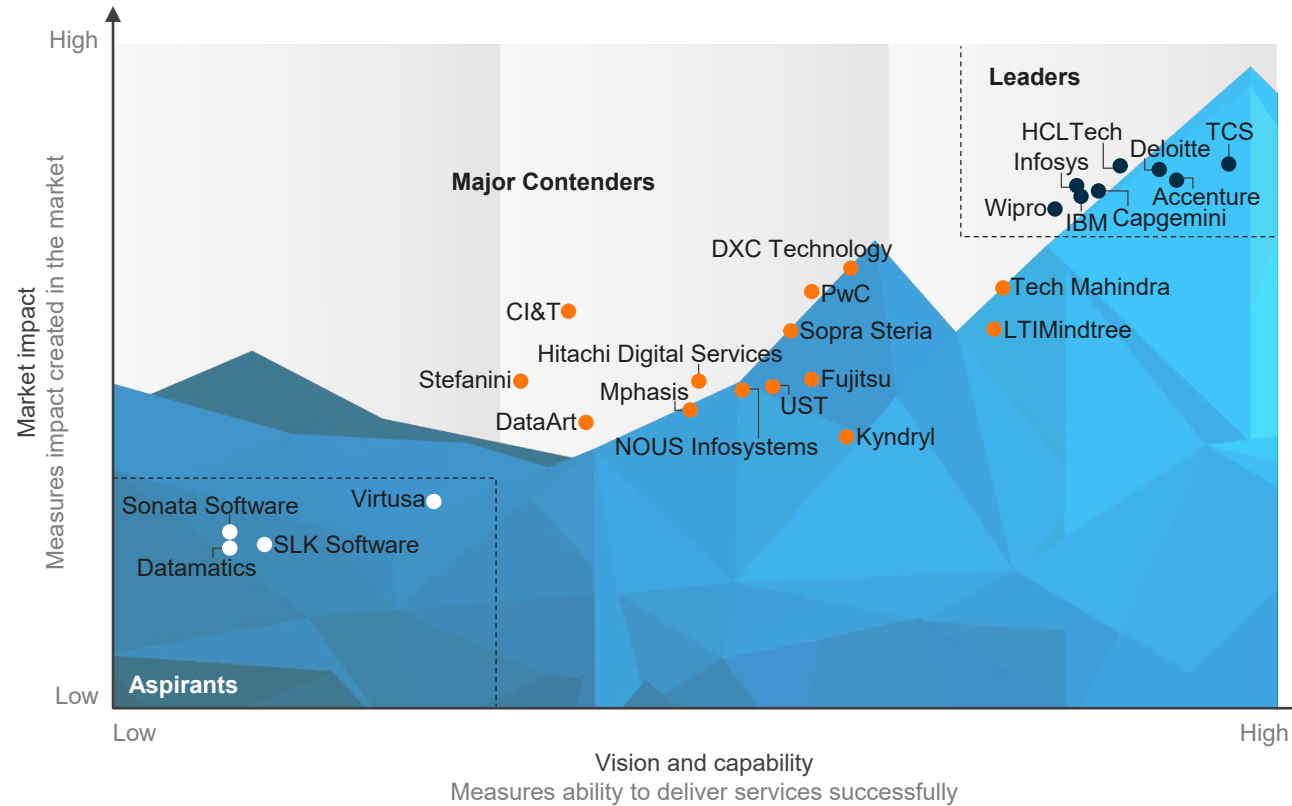Datamatics, SLK Software, Sonata Software, and Virtusa

- Providers in this category have limited market presence, delivery footprint, and customer portfolio

- However, they are gradually increasing their investments to develop focused solution accelerators, expand their partner network, and augment their services portfolio to compete in the mature transformation services market

Everest Group PEAK Matrix®

Application Transformation Services PEAK Matrix® Assessment 2024 – Europe | Deloitte is positioned as a Leader

Everest Group Application Transformation Services PEAK Matrix® Assessment 2024 – Europe[1,2,3]

- Leaders
- Major Contenders
- Aspirants

Leaders

- HCLTech
- Infosys
- Wipro
- IBM
- Capgemini
- Deloitte
- TCS
- Accenture

Major Contenders

- DXC Technology
- PwC
- CI&T
- Sopra Steria
- Tech Mahindra
- LTIMindtree
- Hitachi Digital Services
- Stefanini
- Mphasis
- Fujitsu
- UST
- DataArt
- NOUS Infosystems
- Kyndryl

Aspirants

- Sonata Software
- Virtusa
- Datamatics
- SLK Software

Market impact
Measures impact created in the market

High

Low

Vision and capability
Measures ability to deliver services successfully

Low — High

1 Assessments for Accenture, Capgemini, and Virtusa excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group's interactions with buyers
2 Analysis of IBM is based on capabilities after the split into IBM and Kyndryl
3 Analysis for Kyndryl and Infosys includes partial inputs from the service provider, and is based on Everest Group's estimates that leverages its proprietary data assets, service provider public disclosures, and interaction with buyers
Source: Everest Group (2024)

Deloitte profile (page 1 of 5)
Overview

Vision for Application Transformation Services

Deloitte's vision is to deliver business value by unifying modern software engineering, technology innovation, and deep domain expertise under a single identity and end-to-end storefront designed to help enterprises innovate, grow, and deliver value more rapidly.
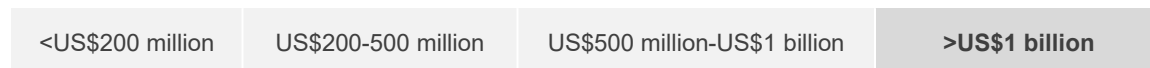
Scope of services

Application Modernization & Innovation (AMI)

- Application migration: plan and execute migrations at scale by leveraging hybrid solutions. Postmigration, systematically decommission applications to reduce technical debt, costs, and cybersecurity breaches
- Application modernization: transforming legacy platform-based enterprise applications to a cloud-first model (public, private, hybrid, multi-cloud) by leveraging cloud-native technologies, services and automation to boost efficiency with scalability and agility while improving overall security posture and optimizing business risk
- Mainframe modernization: transforming mainframe-based applications to improve user experience, business agility, operating cost, and data accessibility leveraging next-generation technologies such as Generative AI and fully automated services
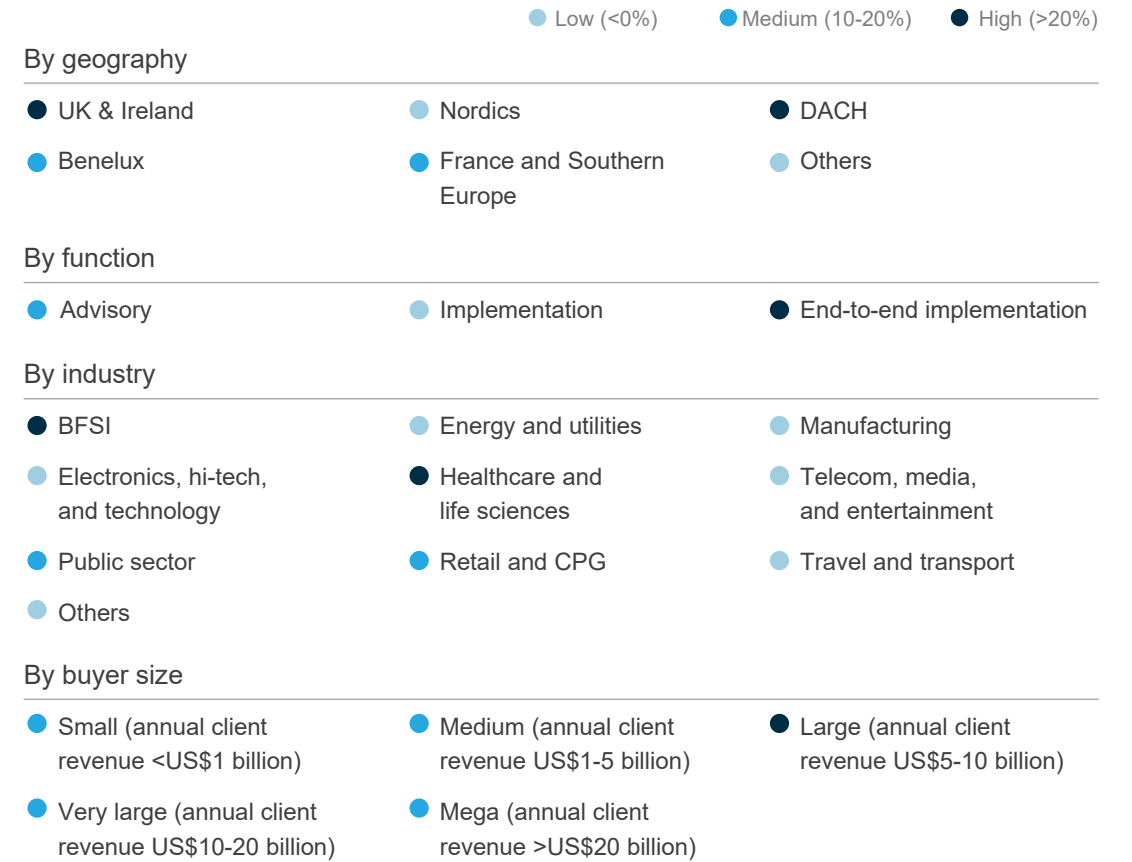
Cloud engineering

- Cloud strategy, architecture, and transformation, cloud business case, roadmap, and operating model development
- Cloud-native and application development: build and implement custom scalable cloud-native applications and platforms
- APIs and integration: architect, design, implement, and operate an end-to-end Application Program Interface (API) as well as integration programs and projects, utilizing API-first approaches

Application transformation services revenue (2022)

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

Application transformation revenue mix (2022)

● Low (<0%) ● Medium (10-20%) ● High (>20%)

By geography

● UK & Ireland	● Nordics	● DACH
● Benelux	● France and Southern Europe	● Others

By function

● Advisory	● Implementation	● End-to-end implementation

By industry

● BFSI	● Energy and utilities	● Manufacturing
● Electronics, hi-tech, and technology	● Healthcare and life sciences	● Telecom, media, and entertainment
● Public sector	● Retail and CPG	● Travel and transport
● Others		

By buyer size

● Small (annual client revenue <US$1 billion)	● Medium (annual client revenue US$1-5 billion)	● Large (annual client revenue US$5-10 billion)
● Very large (annual client revenue US$10-20 billion)	● Mega (annual client revenue >US$20 billion)	

Deloitte profile (page 2 of 5)
Solutions, partnerships, and recent investments

[NOT EXHAUSTIVE]

Proprietary solutions for application transformation services

Solution name	Details
innoWake	It is an application modernization tool that modernizes an organization's applications from legacy code such as COBOL and JCL to modern technologies such as Java, .NET, and cloud-native in a cost-effective way to deliver fully automated refactoring and modernization to help meet critical business objectives.
ATADATA	It is Deloitte's automated cloud management platform designed to streamline the mapping, migrating, and managing of enterprise-class workloads in any combination of hybrid IT and cloud environments.
TruNorth	It provides a single cockpit view throughout any cloud modernization journey and helps to accelerate the delivery. It executes application portfolio analysis, helps design, plan, and execute actual cloud migration, and repeats automated system scans to continuously refresh portfolio.

Application transformation services partnerships

Partner name	Details
AWS	It is an AWS premier consulting partner and is jointly developing next-generation cloud and AI/ML solutions to drive transformations such as re-platform, refactor, and re-architect.
Google Cloud	It partnered with Google Cloud for a range of cloud and AI-related products and platform to help clients plan and deliver a uniform hybrid or multi-cloud transformations. It works together to offer application modernization, cloud-native development, and enterprise application management that supports, accelerates, and scales business innovation.
VMware	It partnered with VMware to deliver fully transformed, multi-cloud capabilities across distributed cloud environments including public, private, and the edge.
IBM	It partnered with IBM to focus on enabling mainframe modernization from upgrading legacy code, generating operating efficiencies, to scaling business needs.
Snowflake	It is a key partner of Snowflake for data strategy, analytics, and AI, utilizing tools such as data migration factory, warehouses, lakes, and Snowpark.

Deloitte profile (page 3 of 5)

Solutions, partnerships, and recent investments

[NOT EXHAUSTIVE]

Application transformation services investments

Investment name/theme	Details
Talent	Introduced Project 120, a US$1.4 billion investment designed to give practitioners more tailored, relevant, and in-the-flow learning for future applications of technologies; Deloitte Cloud Institute, AI Academy, and HashedIn University provide curated learning to create experts in technologies and transforming new employees into high performing Deloitte professionals
Co-innovation	Joint research and co-creation with technology partners to create groundbreaking solutions. For example, Project Olympus – a US$200 million global co-investment and co-development fund with AWS for researching and developing cloud-based engineering solutions
Acquisition	Acquired 40+ company across cloud, AI, cyber, analytics, next-generation technologies, which has strengthened Deloitte's capability portfolio

Deloitte profile (page 4 of 5)
Case studies

CASE STUDY 1

Enhanced competitiveness and operational efficiency of a large European bank with Deloitte's cloud-based digital lending transformation

Business challenge

The client's competitive position was being challenged by smaller, faster-growing, more technology-focused entrants. Its current technology systems were out of date and not standardized across applications.

Solution

Deloitte developed a cloud-based digital lending system based on consumer feedback. It created a modular, flexile, and scalable programming environment using the OpenDATA platform (powered by AWS).

Impact

- Enabled the client to transition from a traditional development method to an Agile process. Within 13 weeks of the project's commencement, the loan system served its first customer
- Built an automated application process for a new corona-related loan product, which took less than three weeks
- Estimated cost saving in retail account management (acceptance) between 75 and 90 percent
- Allowed credit applicants to submit required documentation via a mobile interface, and a risk engine driven by AI generated the customer's credit projection in a matter of seconds. This reduced the time it used to take (weeks) to make a loan decision to less than 15 minutes

CASE STUDY 2

Transformed IoT capabilities through AWS cloud migration for a global leader in domestic appliances

Business challenge

The client had limited standardization without a cloud platform. It planned to transfer its IoT stack to AWS's new cloud IoT platform.

Solution

Deloitte migrated to and implemented a new IoT cloud platform for the client's new linked products. It bridged the gap between old and new IoT systems. It also developed a high-level design, migration plan, and strategy.

Impact

- Made product-level analytics (such as use data) more accessible to customers
- Enabled a consistent feature set and consumer experience globally with IoT cloud platform
- Improved and allowed for standardization with all products on one global IoT cloud platform (consistent tools, architecture, support processes, and team) enabling:
  - Increased efficiency and swift releases
  - Decreased effort in building out duplicate technologies and features
  - Improved control over data and intellectual property ownership
  - Simplified issue resolution and deployments
  - Lowered module costs

Deloitte profile (page 5 of 5)

Everest Group assessment – Leader

Measure of capability: ◔ Low   ● High

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

Strengths

- Deloitte's credible proof points of delivering advisory-led transformation services, coupled with its strong consulting capabilities and accelerators such as TruNorth and Cloud Workbook, are helping it differentiate in the market

- Clients seeking industry-specialized AI and generative AI-powered solutions in healthcare, financial services, and Retail and Consumer Packaged Goods (RCPG) domains can rely on Deloitte's Converge™ Industry Solutions offering portfolio

- Deloitte's balanced delivery footprint in Europe, with strong onshore and nearshore capabilities, helps it in delivering quality services while maintaining client proximity

- Some clients have appreciated the technical expertise of its resources and the business-driven mindset that it brings to the table as a transformation partner

Limitations

- Some clients have expressed that Deloitte can enhance its role as a strategic partner by assisting them beyond the engagement scope in high pressure situations

- Clients have expressed concerns around its project management capabilities, and highlighted the need for improved transparency on delivery timelines
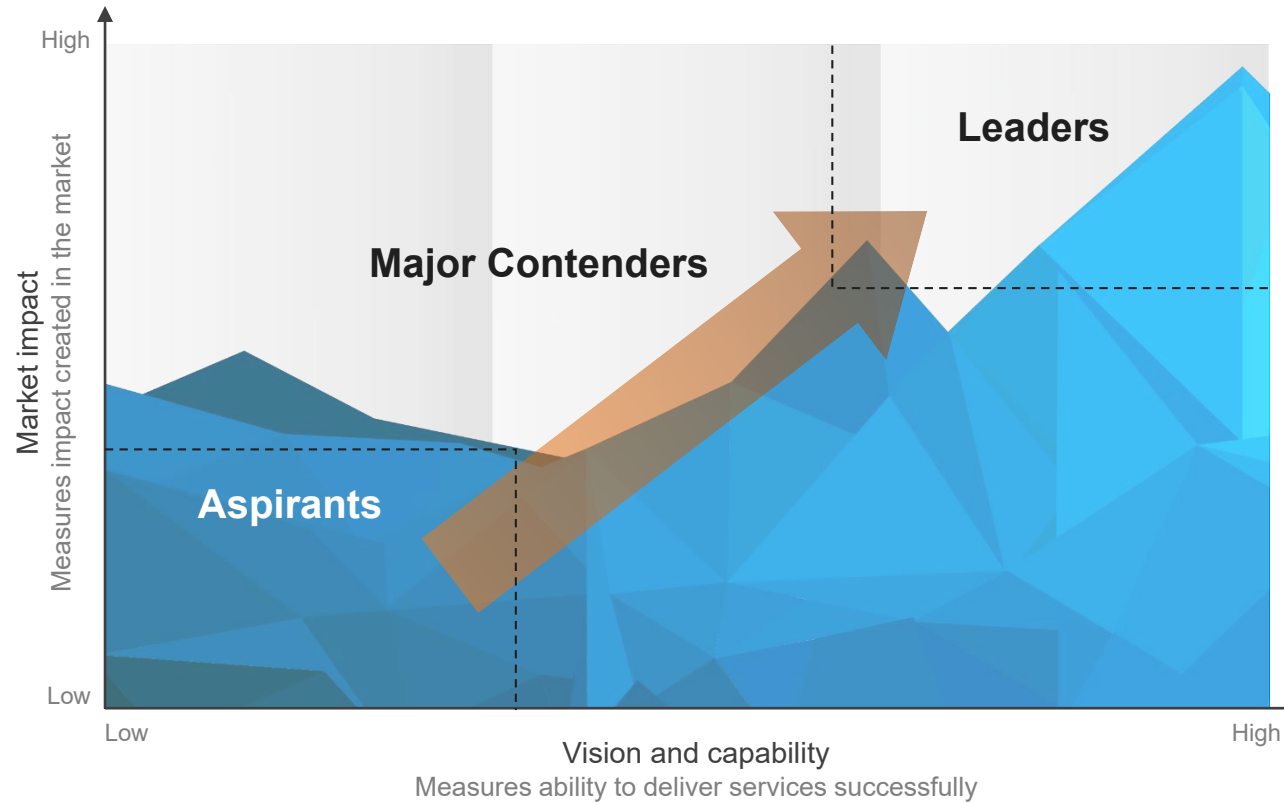
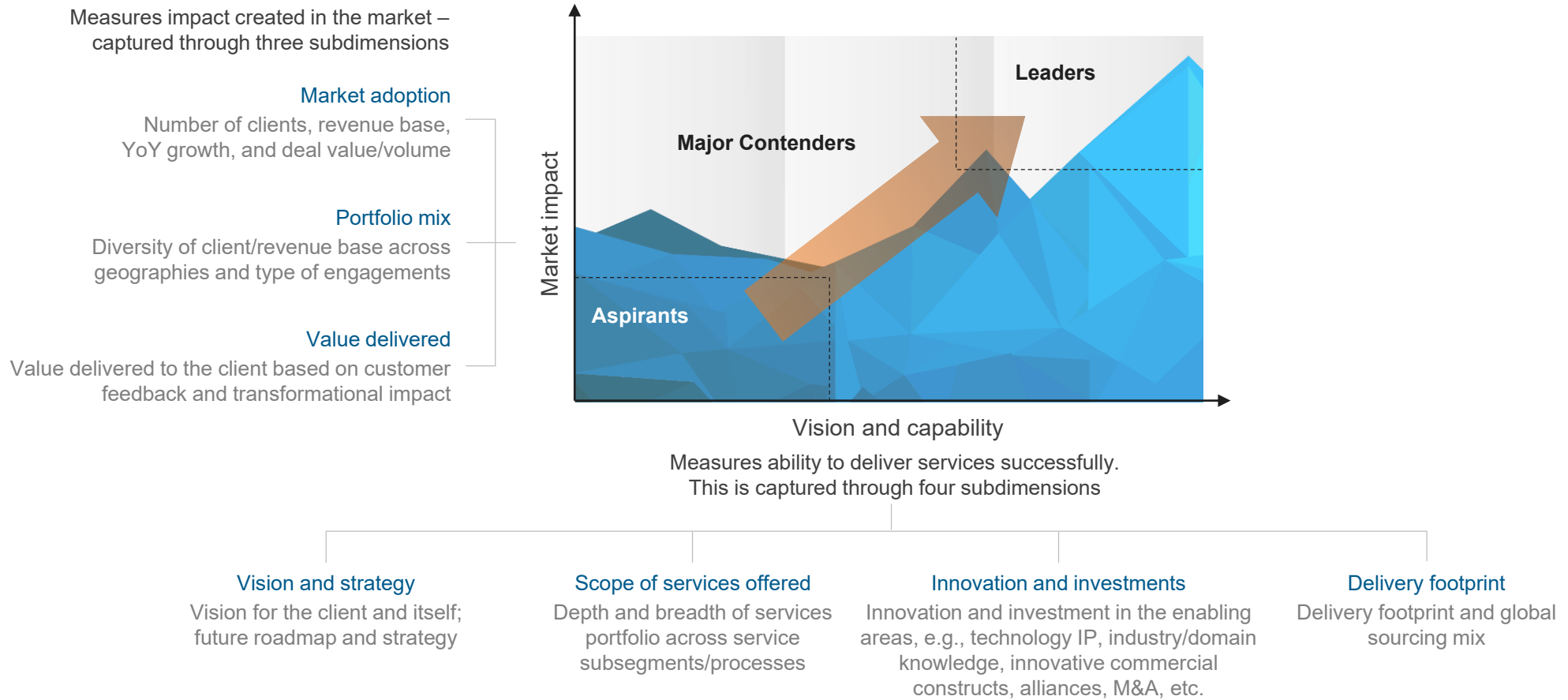# Appendix

PEAK Matrix® framework

FAQs

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

Market impact (y-axis)

Leaders

Major Contenders

Aspirants

Vision and capability (x-axis)

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

FAQs

Q: Does the PEAK Matrix® assessment incorporate any subjective criteria?

A: 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.

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

A: 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.

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

A: 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.

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

A: 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 in included in our research reports

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

A: 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

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

A: 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.

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Dallas (Headquarters)	Bangalore	Delhi	London	Toronto
info@everestgrp.com	india@everestgrp.com	india@everestgrp.com	unitedkingdom@everestgrp.com	canada@everestgrp.com
+1-214-451-3000	+91-80-61463500	+91-124-496-1000	+44-207-129-1318	+1-214-451-3000

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