Everest Group®

Everest Group Private Equity (PE) IT Services PEAK Matrix® Assessment 2024

Focus on **Deloitte**

July 2024

PE▲K MATRIX®

Introduction

As the digital landscape continues to evolve, IT services are becoming an indispensable element for private equity firms and their portfolio companies seeking to drive value creation and operational excellence. The transition from traditional IT management to a strategic, value-driven approach is critical in this sector. Private equity firms recognize the potential of robust IT services to enhance portfolio performance, streamline operations, and achieve competitive advantages. Advanced technologies such as Artificial Intelligence (AI), Machine Learning (ML), data analytics, and cloud computing are at the forefront of this transformation, enabling more informed decision-making and operational efficiency.

However, realizing the full potential of IT services in private equity requires a strategic assessment of technological infrastructure, a clear understanding of value propositions, and meticulous management of integration risks. Adopting a proactive approach to IT service management ensures that private equity firms not only stay ahead of the technological curve but also foster sustainable growth and scalability within their portfolio companies.

In the research, we present an assessment of 17 services providers featured on the Private Equity IT Services PEAK Matrix®. Each 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 2024, interactions with leading private equity IT service providers, client reference checks, and an ongoing analysis of the sustainability services market.

The full report includes the profiles of the following 17 leading service providers featured on the Private Equity IT Services PEAK Matrix:

- **Leaders:** Accenture, Deloitte, EY, Infosys, Persistent Systems, and PwC
- **Major Contenders:** Apexon, Cognizant, KPMG, Mphasis, Ness Digital Engineering, and Rackspace
- **Aspirants:** Endava, EPAM, GFT, Tech Mahindra, and Zensar Technologies

Scope of this report

Geography: Global

Industry: Market activity and investments of 17 leading private equity IT service providers

Services: Private equity IT services

Private Equity IT services PEAK Matrix® characteristics

Leaders

Accenture, Deloitte, EY, Infosys, Persistent Systems, and PwC

- The private equity IT services Leaders have established a successful business by having a strong vision and strategy for the private equity services, establishing a dedicated practice, undertaking thought leaderships, and presence across conferences and technology events to position themselves in this market

- Leaders are highly proactive in taking their innovations and next-generation service offerings to private equity clients and their portfolio companies to help them scale their business with emerging technology

- Leaders have a highly balanced portfolio and continue to invest in technology and services capability development as they serve across the PE deal life cycle from origination to exit

Major Contenders

Apexon, Cognizant, KPMG, Mphasis, Ness Digital Engineering, and Rackspace

- Major Contenders are in the process of bolstering their private equity vision by setting up dedicated private equity practice and practice leaders, focusing on the underlying role of technology and platforms to orchestrate scalable private equity services

- Major Contenders continue to invest in providing offerings across different parts of the value chain including deal origination, performance improvement, and exit strategies

- They focus on capitalizing their engineering and technology capabilities to enable faster value realization for their clients and further ramp up their dedicated private equity practice; few players are able to bring their learnings from themselves being PE owned into ongoing engagement

Aspirants

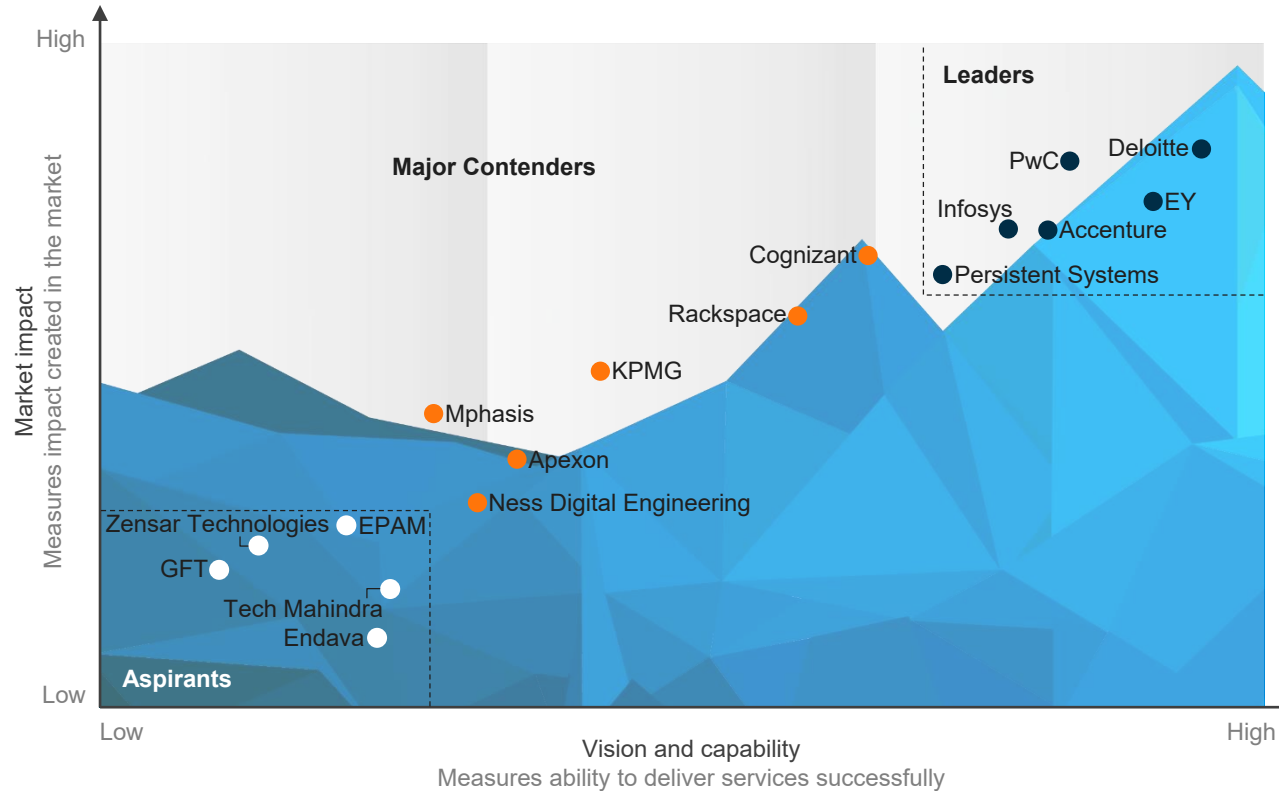Endava, EPAM, GFT, Tech Mahindra, and Zensar Technologies

- Aspirants are focused largely on serving portfolio companies than private equity firms directly

- They have the technology capabilities and talent to serve as technology enablers in the private equity IT services journey of portfolio companies in limited geographies and largely on cost takeouts or transformation pieces

- The ability to leverage partner ecosystem and in-house IP in PE construct is limited for Aspirants

Everest Group PEAK Matrix®

Everest Group Private Equity (PE) IT Services PEAK Matrix® Assessment 2024 | Deloitte is positioned as a Leader

Everest Group Private Equity (PE) IT Services PEAK Matrix® Assessment 2024[1,2]

- ● Leaders
- ● Major Contenders
- ○ Aspirants

Market impact
Measures impact created in the market

High / Low

Major Contenders

Leaders

- PwC
- Deloitte
- Infosys
- EY
- Accenture
- Persistent Systems
- Cognizant
- Rackspace
- KPMG
- Mphasis
- Apexon
- Ness Digital Engineering

Aspirants
- Zensar Technologies
- EPAM
- GFT
- Tech Mahindra
- Endava

Vision and capability
Measures ability to deliver services successfully

Low — High

1 Assessments for Accenture, Endava, EPAM, GFT, KPMG, and Tech Mahindra excludes provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group's interactions with insurance buyers
2 Assessments for EY and PwC includes partial inputs from the service providers and are based on Everest Group's estimates that leverage Everest Group's proprietary data assets, services providers' public disclosures, and interaction with buyers
Source: Everest Group (2024)

Deloitte profile (page 1 of 5)
Overview

Vision for private equity IT services
Deloitte envisions a dynamic landscape for PE firms and portfolio companies, driven by heightened competition and the need for value creation. Technology is pivotal in strategic growth, cost synergies, and value creation, along with the rising importance of operating partners and next-generation talent. The key focus areas include exploring gen AI and ESG use cases, enhancing cyber resilience throughout the deal life cycle, and investing in industry expertise, collaboration tools, and centralized technology infrastructure to achieve synergies and drive growth in a consolidating market.

Private equity IT services revenue (CY 2023)

<US$100 million	US$100-250 million	US$250-$500 million	>US$500 million

Number of active clients for private equity IT services

<5	5-10	10-15	>15

Private equity IT services revenue mix (CY 2023)

● N/A (0%)　　● Low (1-20%)　　● Medium (20-40%)　　● High (>40%)

Revenue by geography

● North America	● United Kingdom	● Europe
● Asia Pacific	● Latin America	● Middle East & Africa

Revenue By IT services segment

● Application services	● Digital services	● Infrastructure services

Revenue by buyer size

● Small (AUM <US$5 billion)	● Midsize (AUM US$5-20 billion)	● Large (AUM US$20-50 billion)
● Very large (AUM US$50-100 billion)	● Mega (AUM >US$100 billion)	

Deloitte profile (page 2 of 5)

Offerings

Proprietary IP/solutions/frameworks/accelerators/tools built to deliver private equity IT services

Development	Details
Generative AI to optimize the deal life cycle	This solution helps PE firms streamline investment processes, reduce errors, and provide accurate market insights, thereby improving traditional practices.
IP360	It is a tool that offers a holistic view of Intellectual Property (IP) assets aligned with the business strategy. It aids in identifying, protecting, and optimizing IP to gain competitive advantage, enhance business value, and foster growth.
Digital mix	It is an approach for managing complex multi-cloud implementations of common SaaS platforms such as Salesforce, Boomi, and NetSuite. It includes project tools and deployable components designed to streamline lead-to-cash processes, reducing effort and complexity and improving overall project quality.
Deloitte's Private Equity Data-as-a-Service (PE DaaS)	This is a solution designed to address data challenges faced by PE firms. It provides access to high-quality, real-time data essential for making investment decisions and optimizing the operations of portfolio companies. By utilizing the industry expertise and advanced technology of the firm, it delivers actionable insights that lead to improved outcomes.
Greenlight	It is a decarbonization solution designed to guide large companies from strategy to implementation, helping them transition toward sustainability effectively.

Deloitte profile (page 3 of 5)
Offerings

Key investments in partnerships/alliances/talent/certifications/CoEs/ M&As/JVs, etc., to deliver private equity IT services

Name	Type of investment (year)	Details of investment
Certified to Serve	Training (2023)	Mandatory training is provided to all professionals serving PE. This includes educating on the market, PE business model, client dynamics, what it takes to effectively serve PE, and an overview of the core technology offerings that Deloitte provides to PE firms and portfolio companies.
Next-generation PE executive talent	Executive development (2023)	It developed a next-generation academy and learning curriculum for PE technology, finance, and operating executives related to support for their roles. This is centered around immersive labs in Deloitte's proprietary Greenhouse and also includes training of future technology account leaders.
Oracle, SAP, SalesForce, AWS, and GCP alliances	Partnerships (2022/23)	It has rolled out go-to-market teaming initiatives with Deloitte's top 5 alliance partners in the PE market. It is focused on joint technology solutions and value propositions. Deloitte is actively investing with over 10 alliance partners in the PE market and developing PE market-specific relationships with leading analytics providers.
Inorganic Growth	Acquisitions (varied)	Deloitte has made a series of acquisitions in the engineering and advisory markets, geared toward serving our PE clients. From a technology perspective, the acquisitions of HashedIn and Dextra Engineering businesses are actively engaged in serving PE firms and portfolio companies. Deloitte Digital's business acquisitions of HEAT and Ubermind also service its PE business. The advisory firm Casey Quirk is a market leader in advising PE Firms.

Deloitte profile (page 4 of 5)
Case studies

[NOT EXHAUSTIVE]

CASE STUDY 1

Deloitte's DigitalMix solution and Oracle partnership enabled smooth transition, record-breaking timelines, early TSA exits, and industry-leading processes for a PE firm in the carve-out, stand-up, and operate phases of a new business from a large corporate entity.

Business challenge
The client faced multiple business challenges, including reliance on legacy and frequently manual critical processes, absence of up-to-date documentation on the current processes, a complex and customized technology stack comprising around 400 applications, underlying data quality issues such as incompleteness and duplicity, and the emergence of new company L1/L2 entities close to day 1, which was affecting preparedness in terms of training and change management. For addressing these challenges, the client required a solution to modernize processes, streamline technology infrastructure, improve data integrity, and swiftly adapt to organizational changes.

Solution
Deloitte utilized its DigitalMix platform and collaborated with Oracle for license reselling to provide a solution. This included the assessments of stand-alone costs and earnings, strategies for separation and stand-up, design and implementation of enterprise landscapes, along with application support and maintenance. Deloitte also reviewed the existing business processes and application landscapes; developed stand-up strategies, global designs, and roadmaps; and estimated stand-alone costs including license reselling and operational support. The client implemented processes and architectures specific to its industry, ensuring an efficient transition.

Impact
- Customized legacy apps to 70 SaaS solutions
- Reduced IT operating expenses by 30%
- Accelerated stand-up without TSAs and reduced operational risk

CASE STUDY 2

Deloitte's streamlined sales processes and integrated operations drove efficiency and scalability for a PE owned company, which was struggling with the ability to scale front-office processes for growth.

Business challenge
The client had strategic objectives to enhance support for its partner-/channel-based business, expand MSP and marketplace channels, and transform billing/revenue accounting processes to align with the SaaS business model.

Solution
Deloitte streamlined sales processes, minimized customizations on legacy systems, and integrated front and back-office operations, which improved efficiency and reduced costs. The firm also implemented scalable systems that allow the client to manage growth through acquisitions and provide the flexibility needed to handle M&A backlogs and pipelines.

Impact
- Accelerated transaction processing time by 4-6 weeks
- Achieved over 95% automation of revenue recognition
- Rationalized 90% of custom code using OOTB
- Reduced process time by 65%
- Simplified business processes and enabled attribute-based quoting

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

- Private equity practice organized as a cross-industry platform coupled with dedicated Leaders serving across deal life cycle from origination to exit

- End-to-end delivery model with the core ethos of advise, implement, and operate by leveraging heritage services of accounting, tax, and M&A in conjuncture with technology transformation services to serve PE firms and their portcos

- Investments in IP such as DigitalMIX™ to design pre-configured architecture and ARR dashboard for risks and responses, which can be leveraged by portcos

- Robust partner network with technology providers such as SAP, AWS, and Oracle coupled with PE community via SuperReturn helps build ecosystem relationships

- Acquisitions in the next-generation technology space such as OpTeamizer and Giant Machines provide ability to advise portcos on their growth mandate

- Clients appreciate Deloitte's portfolio of experience and its ability to build synergy with leadership teams

Limitations

- Deloitte has a scope of optimizing its delivery footprint to enable cost savings by shifting its heavy focus from onshore to offshore and nearshore

- Clients have cited limited flexibility in commercials as a concern for Deloitte as compared to peers

- Few clients have cited overall program management and resource management could be better across the engagement, highlighting the need to maintain consistency as Deloitte scales its business
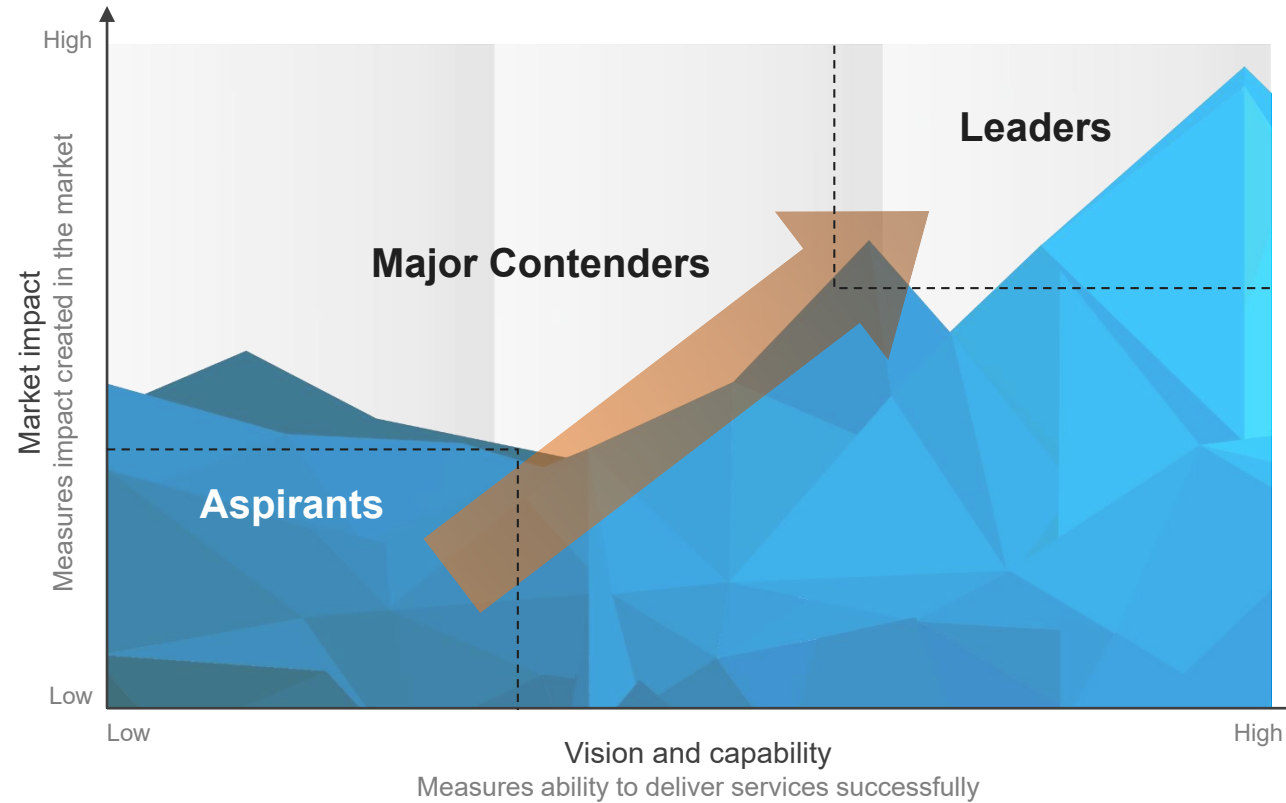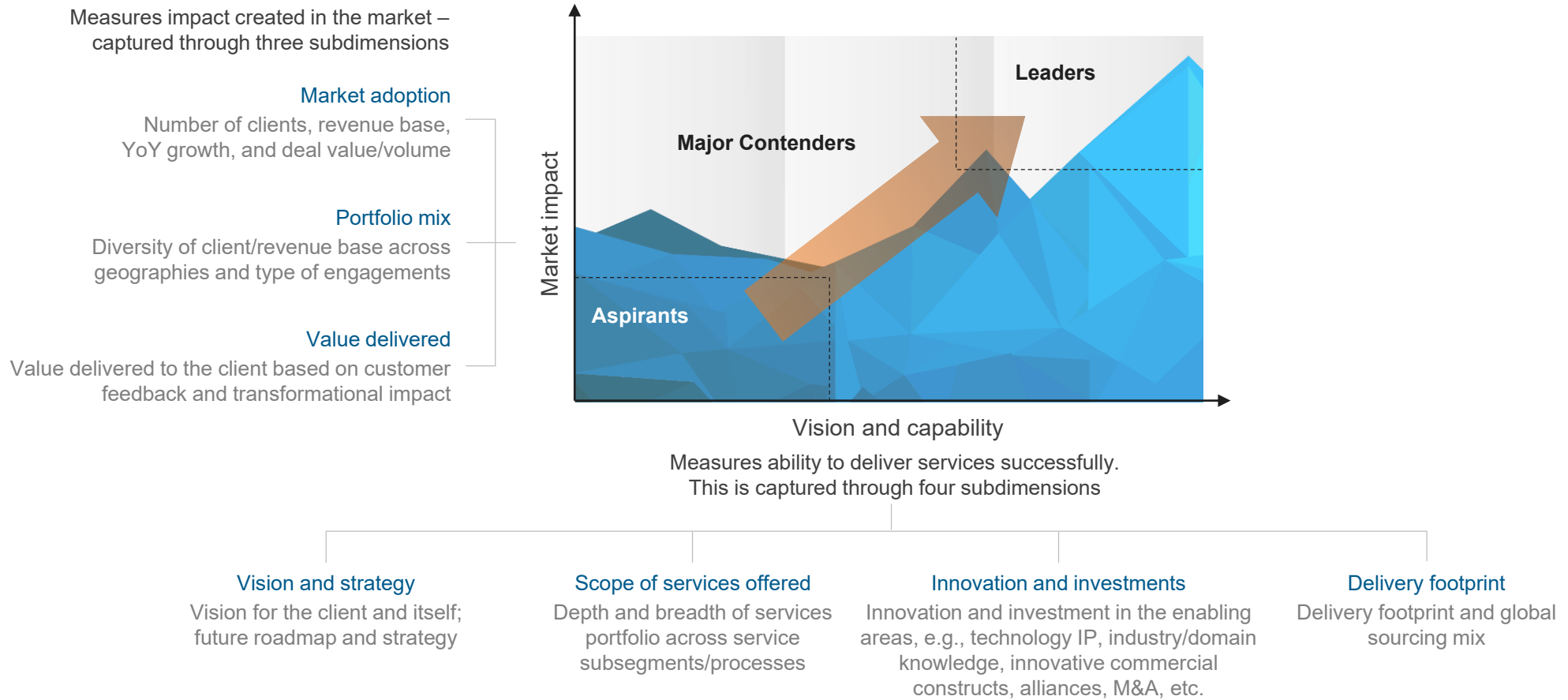
Appendix

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

Leaders

Major Contenders

Aspirants

Market impact

Vision and 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
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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