



Everest Group Software Product Engineering Services PEAK Matrix® Assessment 2024

Focus on TCS

May 2024



Background and introduction of the research

Software, the largest spend area in the product engineering space, continues to keep its upward march alive, albeit at a decelerated pace, primarily due to recessionary headwinds, geopolitical conflicts, talent constraints, and delayed decision-making at enterprises. Amidst the macroeconomic turbulence, certain themes continue to propel the software R&D forward – a shift toward platform-based business model, increased adoption of AI-/gen AI-augmented and secure products, a focus on sustainability, and an enhanced emphasis on customer and developer experiences.

This pivot toward these transformative themes, coupled with the current economic scenario, is profoundly changing enterprises' expectations from their service providers. From seeking a provider solely focused on offering engineering talent, enterprises now aspire to engage with strategic partners capable of delivering savings, speed, and innovation concurrently.

In the full report, we present an assessment and detailed profiles of 43 engineering services providers featured on the [Navigating the Platform Odyssey: Software Product Engineering Services PEAK Matrix® Assessment 2024](#).

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 calendar year 2023, interactions with leading software product engineering services providers, client reference checks, and an ongoing analysis of the engineering services market.

The full report includes the profiles of the following 43 leading engineering services providers featured on the Software Product Engineering Services PEAK Matrix:

- **Leaders:** Accenture, Cognizant, Capgemini, EPAM, GlobalLogic, Globant, HCLTech, Infosys, Persistent Systems, TCS, and Wipro
- **Major Contenders:** ACL Digital, Apexon, Aspire Systems, Brillio, Ciklum, Cybage, DataArt, Encora, Happiest Minds, HARMAN DTS, Infogain, Mphasis, LTIMindtree, Ness Digital Engineering, N-iX,R Systems, Sigma Software, SoftServe, Softtek, Sonata Software, Tech Mahindra, TO THE NEW, UST, Xebia, and Xoriant
- **Aspirants:** Bounteous x Accolite, Daffodil Software, e-Zest Solutions, GS Lab | GAVS, Incedo, Kellton, and SOUTHWORKS™

Scope of this report

Geography: Global

Providers: 43 leading engineering service providers

Services: Software product engineering services

Software product engineering services PEAK Matrix® characteristics

Leaders

Accenture, Cognizant, Capgemini, EPAM, GlobalLogic, Globant, 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 end-to-end software product engineering services – from high-value product/platform management and development services to long-term and recurring workstreams around product/platform operations
- Their global delivery presence across onshore, nearshore, and offshore locations has helped them achieve the right balance of client proximity and cost advantages in servicing large-scale engagements
- Leaders boast of a comprehensive partner ecosystem comprising hyperscalers, data and analytics partners, other enterprise technology providers, and academia / open-source communities, which they leverage strategically for co-innovation and joint GTM motions
- These players have made significant investments in developing Intellectual Property (IP), establishing labs and Centers of Excellence (CoEs), and upskilling talent across pertinent themes such as cloud, data engineering, AI/ML, security, observability, FinOps, sustainability, testing, automation, and immersive reality

Major Contenders

ACL Digital, Apexon, Aspire Systems, Brillio, Ciklum, Cybage, DataArt, Encora, Happiest Minds, HARMAN DTS, Infogain, LTIMindtree, Mphasis, Ness Digital Engineering, N-iX, R Systems, Sigma Software, SoftServe, Softtek, Sonata Software, Tech Mahindra, TO THE NEW, UST, Xebia, and Xoriant

- Major Contenders comprise both IT-heritage firms as well as pure-play engineering service providers
- While these players have made significant investments in building software product engineering expertise, their service portfolio is not as extensive as that of Leaders (in terms of presence across the value chain, geographies, and industries)
- These players are actively leveraging emerging deal constructs such as product carve-out and Build-Operate-Transfer models, and have crafted dedicated service offerings for private equity firms – enabling diversification of engagement channels
- They are also focusing on expanding their delivery presence and leveraging partnerships more strategically to strengthen their software product engineering services play

Aspirants

Bounteous x Accolite, Daffodil Software, e-Zest Solutions, GS Lab | GAVS, Incedo, Kellton, and SOUTHWORKS

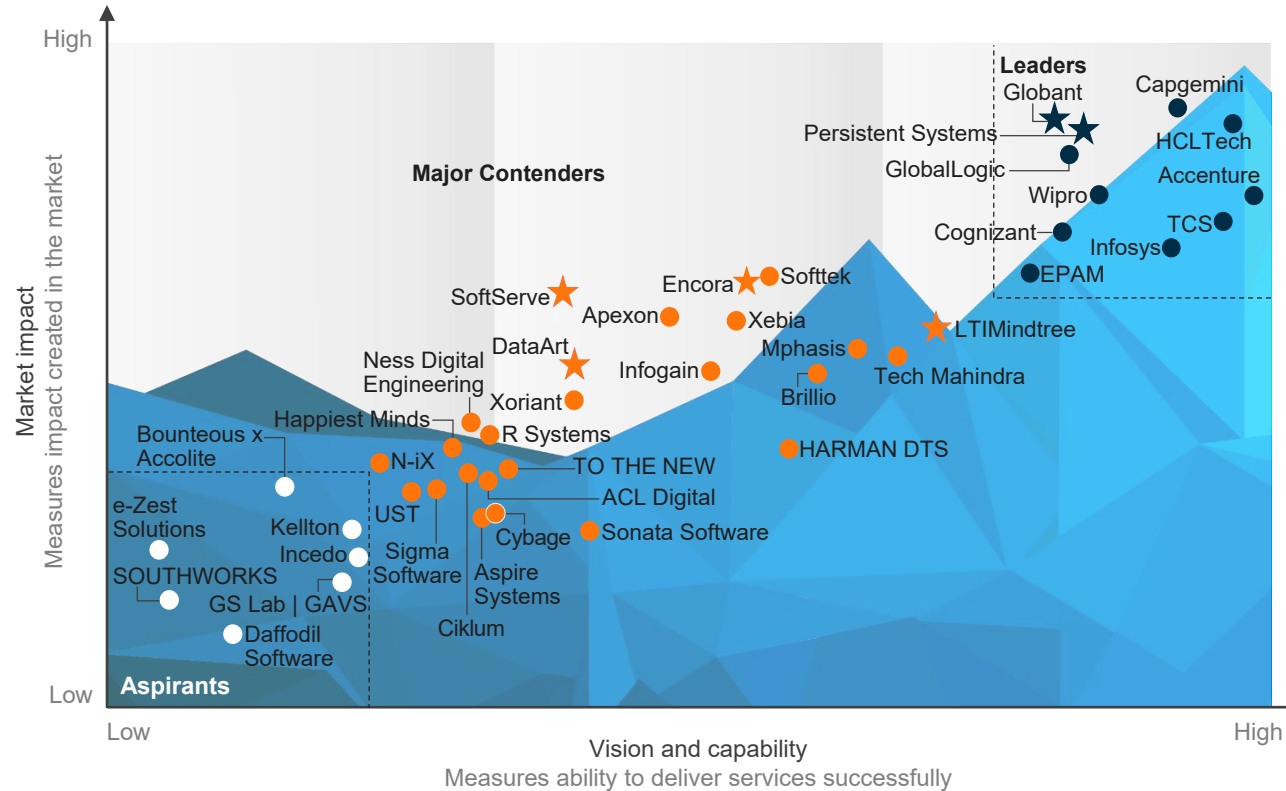
- Aspirants possess strong capabilities in specific technology areas and value chain elements; however, their global presence and ability to serve projects with wider scopes is limited
- They are making focused investments for enhancing their solutions portfolio, improving service enablement capabilities, and expanding their footprint and client base

Everest Group PEAK Matrix®

Software Product Engineering Services PEAK Matrix® Assessment 2024 | TCS is positioned as a Leader

Everest Group Software Product Engineering Services PEAK Matrix® Assessment 2024^{1,2}

- Leaders
- Major Contenders
- Aspirants
- ☆ Star Performers



¹ Assessments for Accenture, Cognizant, EPAM, Infosys, and Sonata Software 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 Accolite Digital is based on capabilities before its merger with Bounteous

Source: Everest Group (2024)

TCS profile (page 1 of 4)

Overview

Vision and strategy

TCS aims to become the preferred partner for its clients, facilitating accelerated innovation and business growth by leveraging its engineering expertise, technological knowledge, and innovative business models. It intends to improve customer experience by bolstering capabilities in design, digital engineering, cloud, AI, and data, while enhancing domain expertise, refining engineering practices, and delivering services across Software-as-a-Service (SaaS) models and APIs.

Software product engineering services revenue and YoY growth rate (H1 CY2023)

Revenue	<US\$100 million	US\$100-200 million	US\$200-400 million	>US\$400 million
Growth rate	<10%	10-20%	20-30%	>30%

Software product engineering services revenue and YoY growth rate (CY2022)

Revenue	<US\$100 million	US\$100-250 million	US\$250-500 million	>US\$500 million
Growth rate	<10%	10-20%	20-30%	>30%

FTE split by region (as of H1 CY2023)

- Onshore
- Nearshore
- Offshore

Software product engineering services revenue mix (CY 2022)

- Low (<10%)
- Medium (10-30%)
- High (>30%)

By geography

- North America
- United Kingdom
- Europe
- India
- Rest of Asia Pacific
- Rest of the World

By verticals

- Automotive
- BFSI
- Consumer electronics
- Energy and utilities
- Healthcare
- ISV and internet
- Media and entertainment
- Medical devices
- Retail
- Telecom
- Others

By value chain elements

- Development
- Operations
- Management

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)

TCS profile (page 2 of 4)

Case studies and solutions

[NOT EXHAUSTIVE]

CASE STUDY 1

Helped a large technology company by co-engineering its public cloud platform

Business challenge

The client was seeking help to accelerate the launch of its complex public cloud platform and integration ecosystem while maintaining competitive advantage.

Solution and impact

TCS set up a dedicated engineering center to develop ecosystem products and a public cloud platform. The engagement involved cloud platform development, ecosystem development, and containerized software solution development that enhanced business automation. The collaboration resulted in improving the time-to-market by 20% and reduced Total Cost of Ownership (TCO) by 15%.

CASE STUDY 2

Helped a client by developing an OTT platform

Business challenge

The client was looking for a technology partner to facilitate the transition from a conventional cable-based content provider company to becoming a digital OTT-based media company.

Solution and impact

TCS created an OTT software, incorporating subscription and ad-based solutions through the utilization of solution accelerators and content labs. As a result, the client attained a user base of 70 million across 60 countries.

Proprietary solutions (representative list)

Solution	Details
SaaSification advisory platform	An advisory platform that helps in cloud transformation journey and improves the process of product transformation into a SaaS model
Digital platform engineering framework	A framework that accelerates platform-driven business and adoption of as-a-service models
TCS engineering environment as a service	A cloud-based framework that enables an on-demand anytime-anywhere R&D environment for product engineering teams across the globe
Cloud-Native Industrialization Platform (CNIP)	A cloud-based platform that enhances the ability to create on-demand service-centric cloud infrastructure and provide hardware acceleration and service procedures as code framework to create reliable service routines remotely
TCS NeurEDA™	A secure, intelligent, and autonomous toolkit that helps in scheduling, management, and orchestration of complex hybrid cloud EDA jobs
TCS HOBS™	An AI-enabled, cloud-native, and catalog-centric platform that helps Cloud Service Providers (CSPs) to enhance customer-centricity, personalization, and business responsiveness
TRiVUS™	An OTT solution for media content storage, discovery, streaming, and analytics
TCS MasterCraft™	It is a suite of products that helps in automating the different stages of product development life cycle. It contains DevPlus, a multi-modal product delivery management solution, TransformPlus, a digital transformation solution, and DataPlus, a data privacy, security, and quality management solution.
TCS healthcare analytics	A product that performs analytics on various sources of data to help identify gaps in care, provide insights on provider network performance, benchmark quality, and cost, and improve member/patient satisfaction

TCS profile (page 3 of 4)

Investments and partnerships

[NOT EXHAUSTIVE]

Key alliances and partnerships (representative list)

Company	Details
Azure, AWS, Google, IBM, and NVIDIA	Partnerships with leading cloud providers companies to strengthen capabilities around cloud and AI
IBM, UiPath, Adobe, Informatica, Tableau, Citrix, Oracle, Pega, Salesforce, SAS, ServiceNow, and Splunk	Alliances to provide various solutions and services across verticals and geographies
Intel	A collaboration to develop solutions around 5G, AI, High-performance Computing (HPC), High-performance Data Analytics (HPDA), and IoT for customers across industry verticals
Microsoft	A strategic partnership to provide solutions for the cloud adoption journey, including Microsoft Azure, Microsoft 365, Dynamics 365, and Power Platform
Cisco, Snowflake, CrowdStrike, Broadcom, Nutanix, and HP	Partnerships to enhance capabilities across various emerging technologies
SAP	A strategic partnership that helps clients leverage industry cloud, SAP services, design thinking, advisory, and innovation consulting
IBM	A global alliance to help clients accelerate their digital and cognitive enterprise transformations to IBM public cloud

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

Investment/target	Description
Research and Innovation – Labs	Investments in setting up a global network of technology labs, domain labs, and academic alliance labs that provide an environment for research in leading edge technologies
Technology-focused horizontal units	Investments in setting up units that focus on AI, cloud, cybersecurity, TCS Interactive, data and analytics, and IoT
CoE – next-generation	Investment in setting up a center that focusses on R&D of emerging technologies and creates solutions by leveraging advanced technologies such as SDN/NFV, IoT, 5G, cloud, RF and antenna engineering, HPC, and AI
Domain investments	Investments in building capabilities across various domains such as life sciences, healthcare, communications, media and information services, retail, ISV and internet, networking and storage, BFS, and manufacturing
TCS Pace™	It has invested in setting up innovation hubs to enhance digital transformation capabilities by improving research, innovation, and co-innovation programs. These hubs help clients to leverage academic institutes and IoT/digital start-ups, for rapid prototyping, research, and commercializing of cutting-edge technologies.
Co-innovation labs	Investments in setting up technology labs that enables co-innovation with leading technology partners such as IBM, Intel, and Microsoft










TCS profile (page 4 of 4)

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

- TCS offers strong capabilities in providing end-to-end services – from high-margin product management and development, to recurring and long-term workstreams around product operations
- The company has a balanced mix of clients across all major geographies (North America, Europe, and APAC) and key software verticals (BFSI, ISVs, media and entertainment, healthcare, retail, and telecom), enabling diversification and resilience during economic downturns
- It has a robust partner ecosystem comprising hyperscalers, academia, data and analytics partners, and other enterprise technology providers, which it utilizes strategically for co-innovation and joint GTM
- TCS has invested significantly in developing IP and labs/CoEs across pertinent themes including cloud and data engineering, testing, automation, UI/UX, security, AI/ML, and verticalized solutions
- It showcases willingness to engage with clients via emerging commercial constructs such as outcome-based and risk-reward pricing
- Customers appreciate TCS for its price competitiveness, technical expertise, quick adaptability to business needs, and high product ownership

Limitations

- Compared with peers, TCS has limited engagements with digital natives and start-ups
- The firm has limited presence across nearshore geographies, hindering the firm’s ability to leverage cost advantages while maintaining close proximity to clients
- Clients have called out that TCS should enhance its talent management practices (training and retaining talent) and be more proactive in bringing issues/challenges to the spotlight as and when they arise

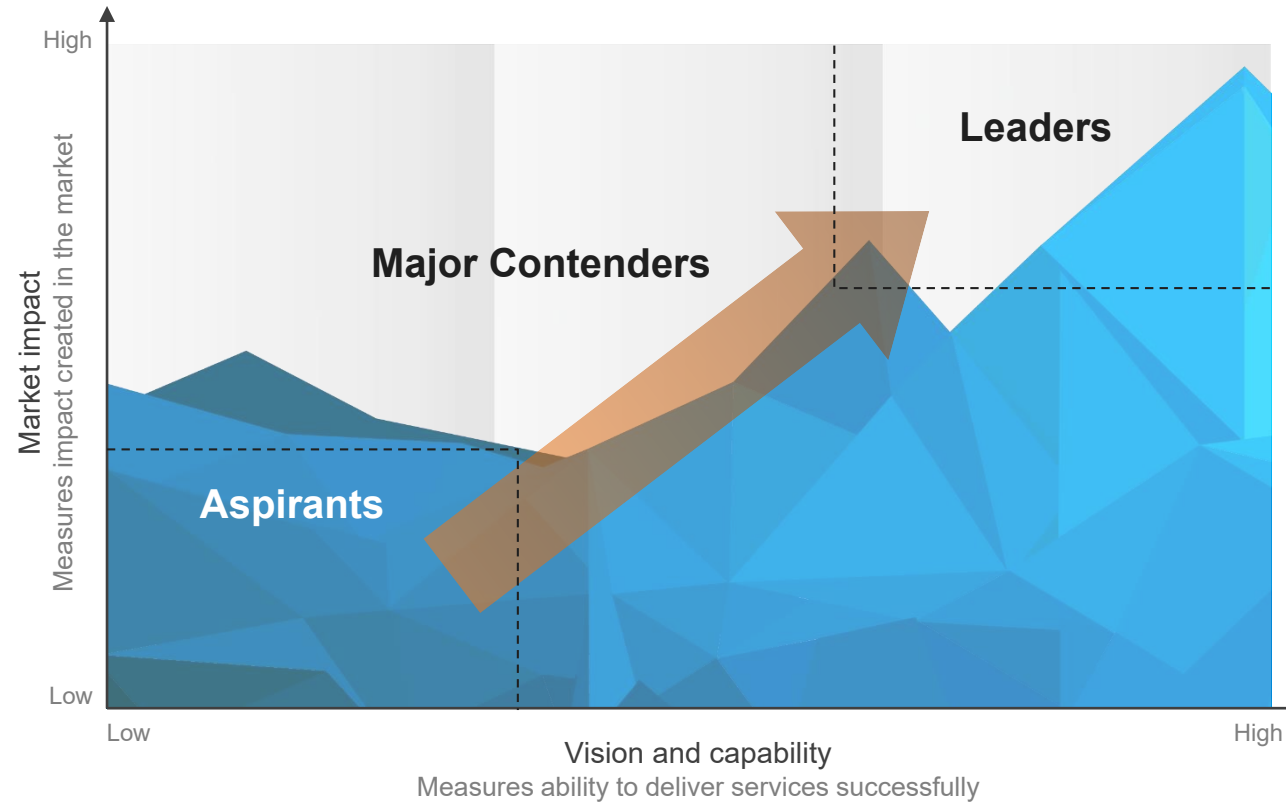
Appendix

PEAK Matrix® framework

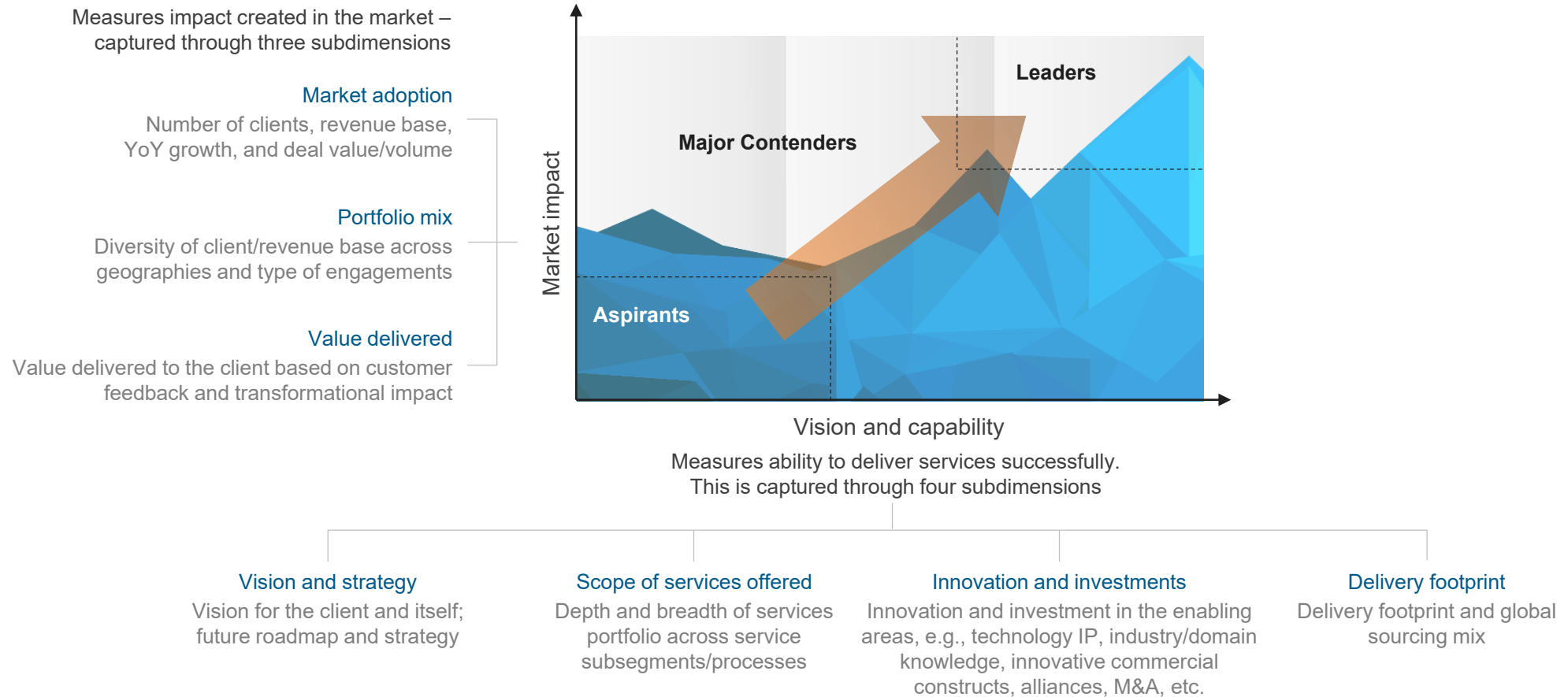
FAQs

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

Everest Group PEAK Matrix



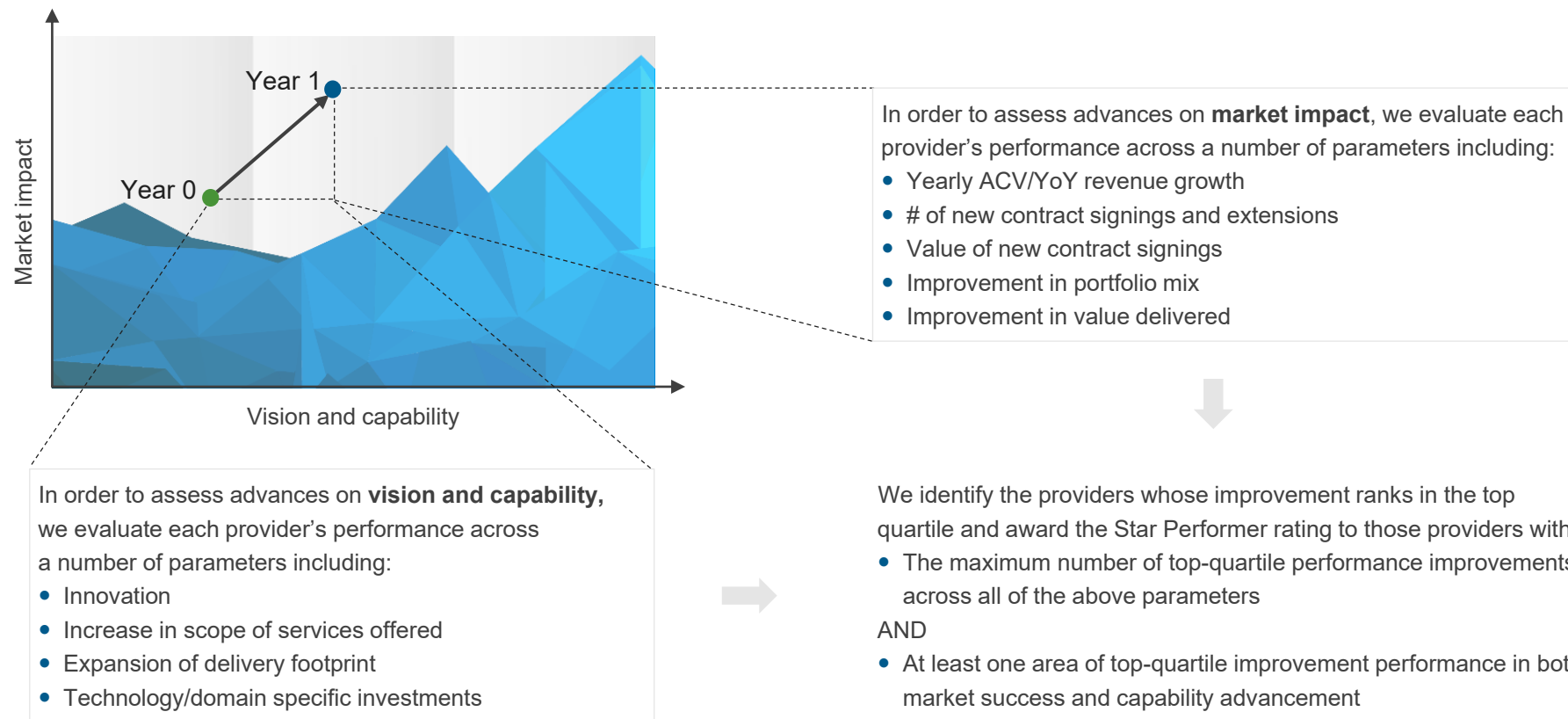
Services PEAK Matrix® evaluation dimensions



Everest Group confers the Star Performer 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 Performer title relates to YoY performance for a given provider and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

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 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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