



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

Focus on Accenture
January 2023



Background of the research

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

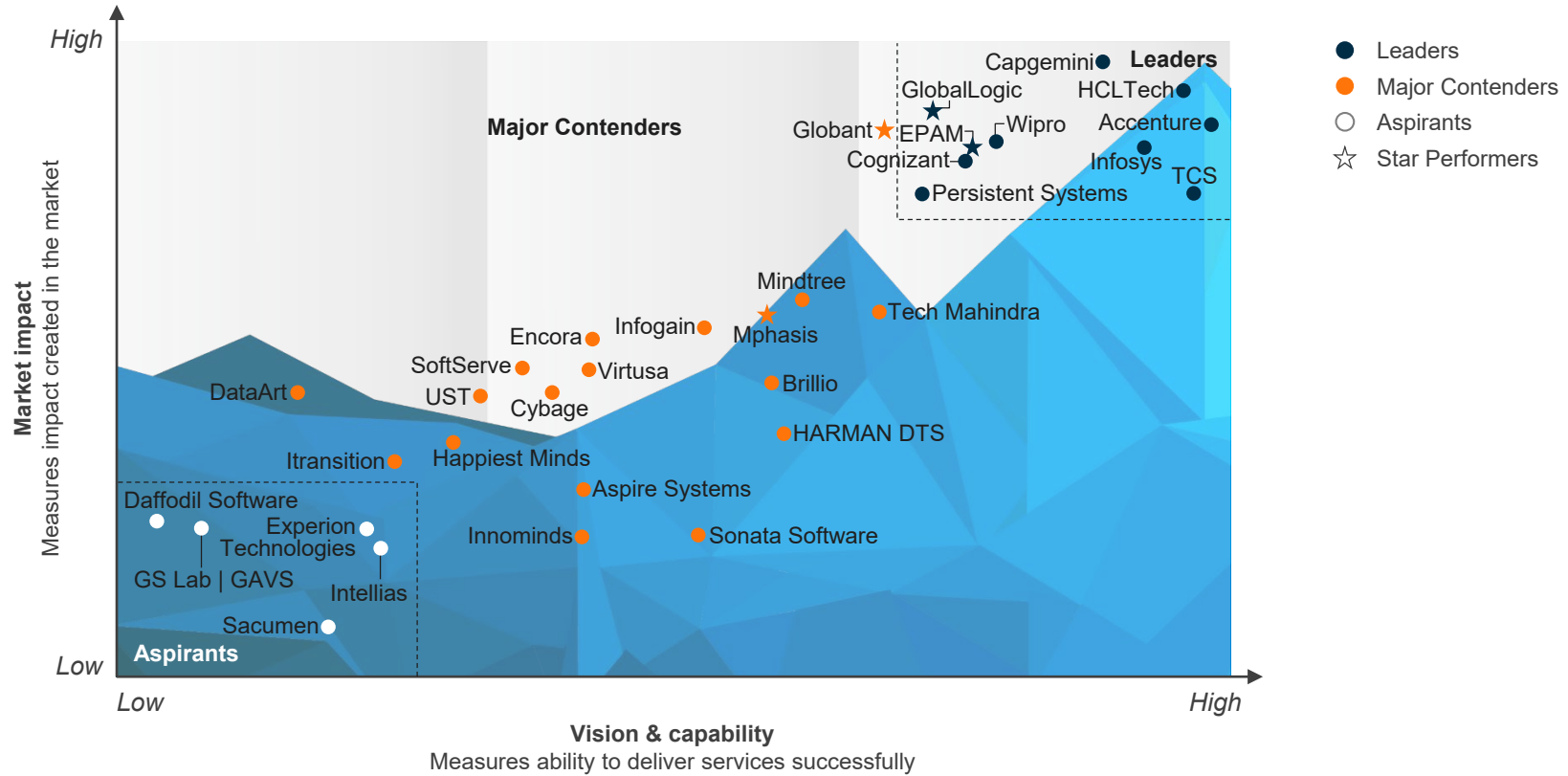
- Aspirants possess strong capabilities in specific technology areas and value chain elements; however, their global presence and ability to serve projects with wider scopes is limited
- They are making focused investments for enhancing their solutions portfolio, improving service enablement capabilities,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

Everest Group Software Product Engineering Services PEAK Matrix® Assessment 2022^{1, 2}



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)

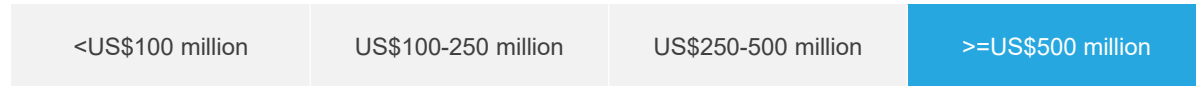
Accenture | software product engineering services profile (page 1 of 4)

Overview

Vision and strategy

Accenture envisions helping its clients to become Platform Businesses by reinventing platforms and technology, improving customer experience, and redefining the partner ecosystem. It aims to achieve this vision by investing in leveraging new-age technologies; upskilling its talent pool; enhancing capabilities around data, platforms, and AI/ML; and through acquisitions. To deliver long-term 360° value for clients, the company brings a combination of engineering, strategy, and industry capabilities to focus on talent transformation, operating model changes, and business reinvention.

Software product engineering services revenue (CY 2021)



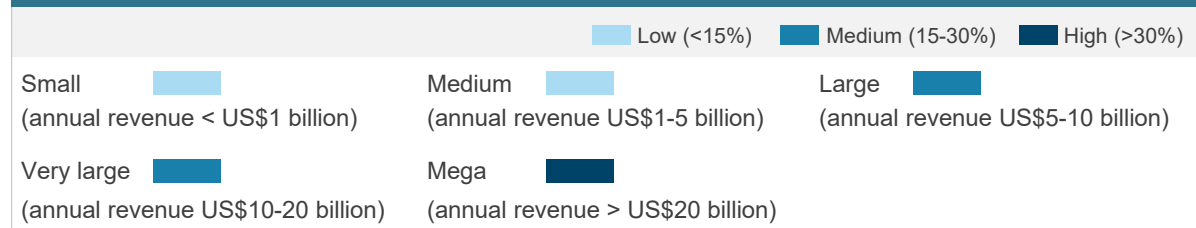
YoY growth rate in software product engineering services revenue (CY 2021)



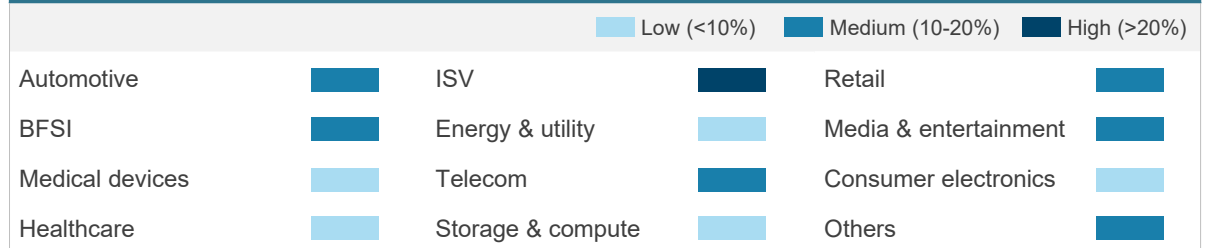
Revenue derived from cloud engineering initiatives (CY 2021)



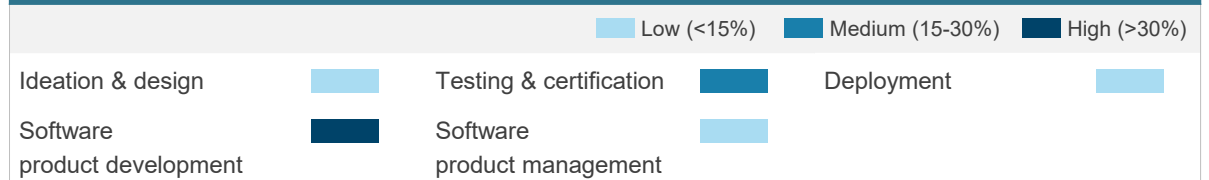
Projects by buyer size



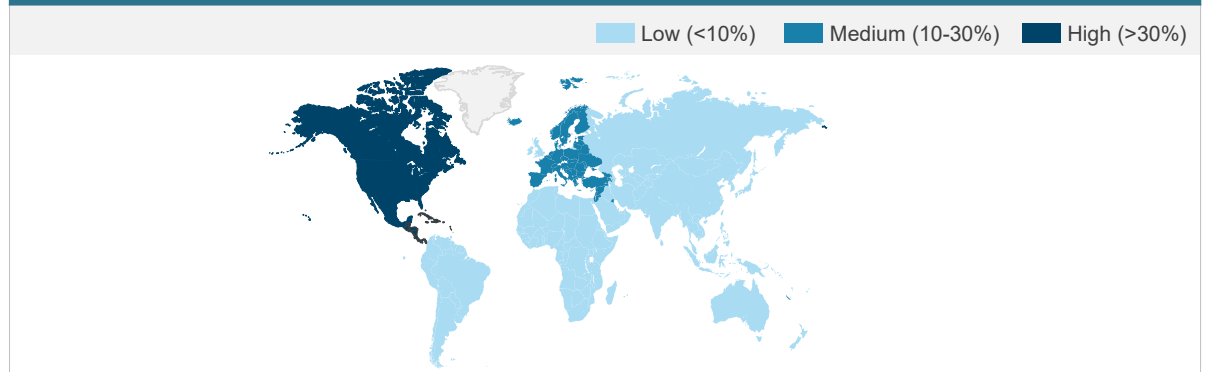
Adoption by vertical



Adoption by value chain element



Adoption by geography



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

Case studies and solutions

Case study 1 **Helped a technology company to modernize UI/UX and improve technology architecture and operations**

Business challenge
 The client was looking for an engineering partner on its journey toward platform-oriented growth. It needed to modernize the UX, operational processes, and technology architecture to be more agile, and also wanted to enable the development of new and innovative solutions to stay relevant amid evolving market demands.

Solution and Impact
 Accenture brought the client integration platform into production over a period of two years, accelerated by nine months. The platform was a key client initiative, enabling the client to deploy HCM solutions to its customers over 50% faster. Accenture worked with the client and third-party software partners to design future state cloud features, modernized UX/UI for the HR cloud solution and workflow management, introduced process automation to accelerate product releases, and co-created a multi-stack agile operational process model. By establishing the Agile Execution and Technology Architecture Centers of Excellence (CoE) at the client location, Accenture was able to share the practices across multiple business functions and enable the client to build innovative solutions faster.

Case study 2 **Helped a US-based client to strengthen its OTT platform and consolidate its offerings on a single platform**

Business challenge
 The client was looking for a technology partner to strengthen its OTT platform in a bid to catch up with other leading providers in the direct-to-consumer OTT space. It was looking for a partner that could help it to consolidate offerings onto a single platform and accelerate its speed-to-market.

Solution and Impact
 Accenture took a Product Oriented Delivery (POD) approach to build the OTT platform, supporting engineering development in several areas including encoding, metadata management, personalization, recommendation, AdTech, and operations. It helped the client to accelerate its market entry and global expansion into this segment as the COVID-19 lockdown and isolation measures stimulated higher demand for OTT services. The platform was launched in the US, followed by a global rollout in 25 countries, and had 22 million+ subscribers by the end of 2021.

Proprietary solutions (representative list)	
Solution	Details
Accenture Touchless Testing Platform	An AI-based platform that enables automated and continuous touchless testing, with capabilities around predictive analytics, visualization, automated defect scanning, and automated workflows to help accelerate testing, increase business agility, and improve productivity and quality
Accenture Omnichannel Testing Platform	A platform that tests, secures, and monitors digital applications for complex use cases that run across mobile devices, desktops, kiosks, smart TVs, wearables, and other user interfaces
Privacy Protection Solution	A solution that redacts and tokenizes PII within databases and data pipelines for correlation, analysis, and business intelligence. It uses AI to automatically detect PII and correlate disparate records into a unified view of an individual
myNav	A platform that helps clients to navigate the cloud and select the right architecture and cloud solution to meet clients' specific business needs
myIndustry	A cloud-based platform created to accelerate and de-risk business transformation for the client and to build digital custom solutions
Accenture Cloud Platform	A platform that delivers a legacy-to-cloud control plane that enterprises require to manage cloud environments
API Integration Accelerator	An accelerator that provides a one-to-many, bi-directional API mapping with the added ability to quickly route requests based on AI/ML outcomes
Application Modernization Solution	A suite of tools and frameworks to architect modernization engagements by scanning the application ecosystem, identifying hotspots, and providing recommended approaches to modernization
Platform Assessment Framework	A framework that helps companies strategize and execute better for platform model transformation

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

Investments and partnerships

Key alliances and partnership (representative list)

Company	Details
Amazon Alexa	A partnership to enhance digital transformation expertise and capabilities around cloud-native solutions
API.ai platform	An alliance – Accenture AWS Business Group – to support enterprise-wide AWS deployment for clients
CNAP, AzureOps, Microfocus OCTANE	A partnership to provide digital transformation services
DoubleTake, CloudEndure	A strategic partnership – Accenture Google Business Group – to build human-centric solutions powered by Accenture and Google cloud
Dynatrace, AppDynamics, Splunk, ServiceNow, Moogsoft	A partnership to strengthen cloud services to businesses
Dynatrace, CAST, Device42	A strategic partnership, named Accenture Microsoft Business Group and powered by Avanade, to develop customized solutions for clients by leveraging IoT technology
Mendix, Outsystems, dronaHQ	A partnership to provide end-to-end digital transformation services










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

Investment/target	Company description
Headspring	Acquisition to boost capabilities in custom platform and core product development
Imaginea	Acquisition to boost capabilities in core product development and enterprise innovation services
Umlaut	Acquisition to boost capabilities in traditional and digital engineering services, including software product development

Accenture | 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

- Accenture has demonstrated a robust mix of engagements across multiple technology themes, aided by IP development across areas such as cloud engineering, platformization, AI, ML, and DevSecOps
- It is recognized by clients for its skills in UI/UX development, end-to-end software development, and maintaining lower attrition levels than most other peers
- Accenture has made several capability-enhancing acquisitions around product development (such as Headspring, and Imaginea) to strengthen its presence across value chain functions
- It has a well-balanced global delivery footprint across nearshore, offshore, and onshore locations for client proximity and seamless delivery
- It has a well-balanced mix of client portfolio spread across key geographies (North America, Europe, and APAC)

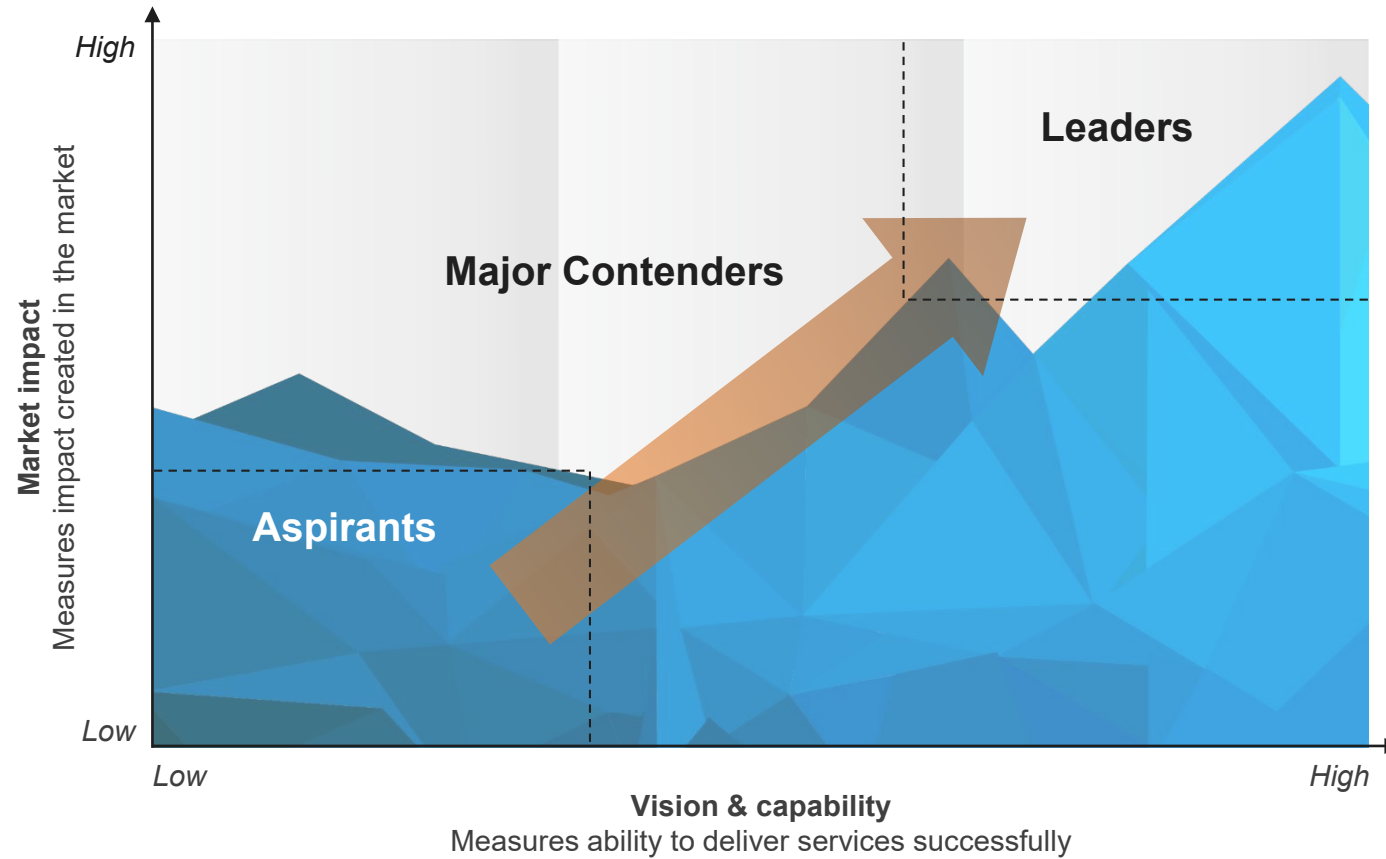
Limitations

- While Accenture has strong presence in industries such as ISVs, telecom, and media & entertainment, its presence in high-growth industries such as BFSI, medical devices, and healthcare is limited compared to other Leaders
- Clients perceive Accenture as an expensive service provider vis-à-vis peers
- While Accenture shows the willingness to engage via emerging pricing models, including outcome-based pricing, it can consider increased engagement in other evolving pricing models such as risk and reward-based pricing

Appendix

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

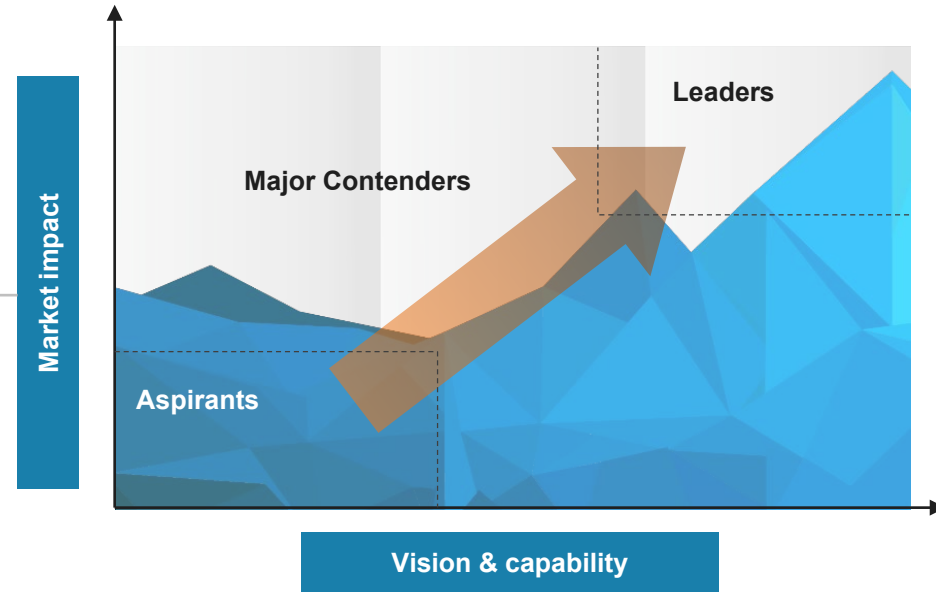
Everest Group PEAK Matrix



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



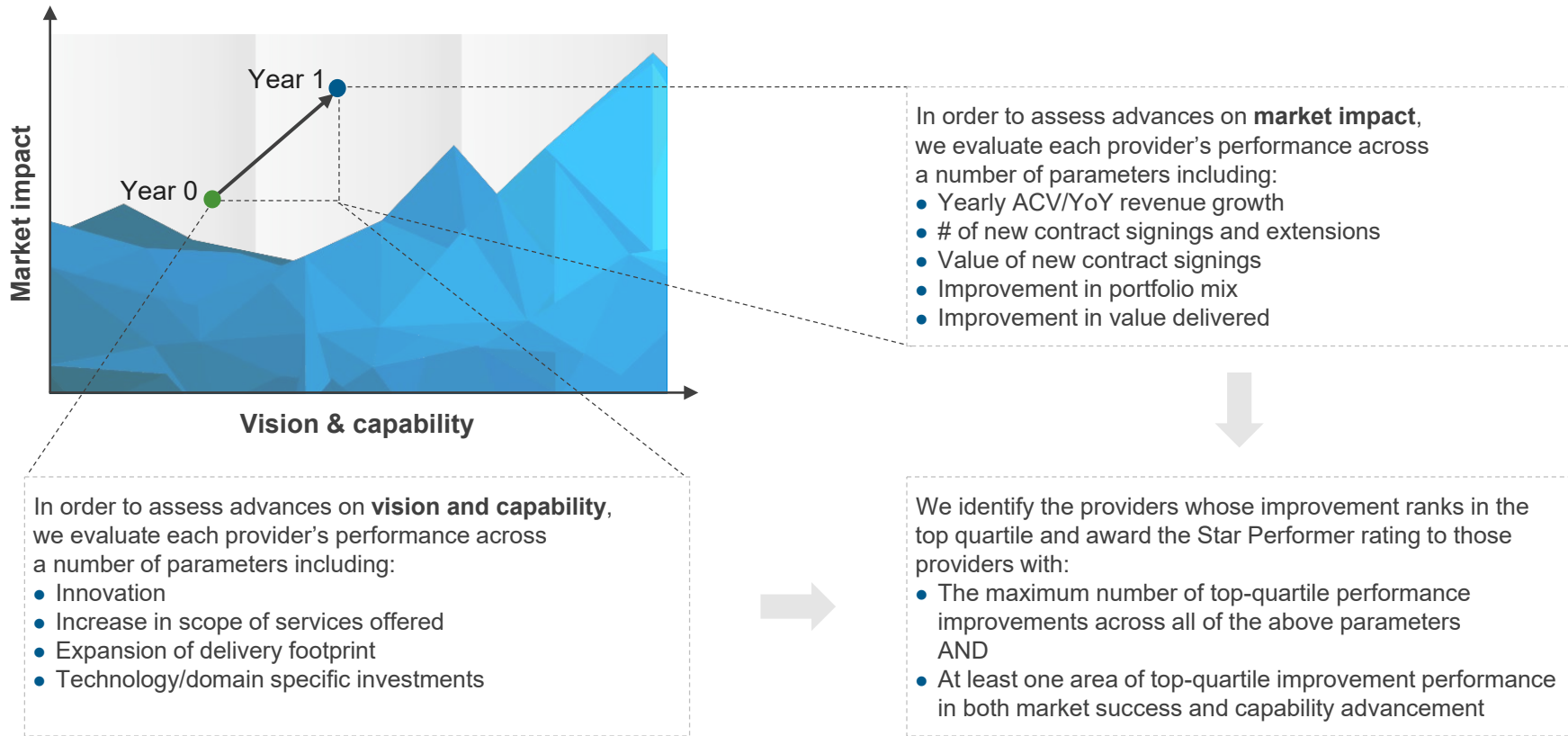
Measures ability to deliver services successfully. This is captured through four subdimensions

- 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.

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