



IDC MarketScape

IDC MarketScape: Worldwide Business Analytics BPO Services 2014 Vendor Assessment

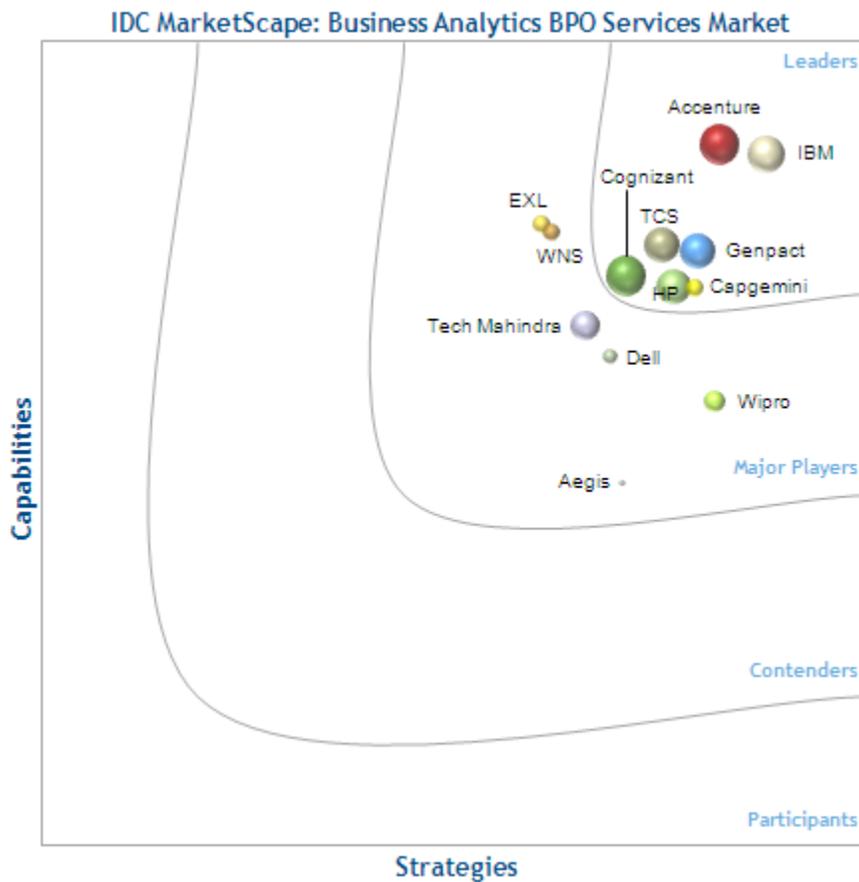
Mukesh Dialani

THIS IDC MARKETSCAPE EXCERPT FEATURES: COGNIZANT

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Business Analytics BPO Services Market



Source: IDC, 2014

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Business Analytics BPO Services 2014 Vendor Assessment (Doc #249299). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix, and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study represents a vendor assessment of business analytics (BA) business process outsourcing (BPO) services firms as of 2014 through the IDC MarketScape model at a worldwide level. This assessment discusses both quantitative and qualitative characteristics that define success in the BA BPO services market. This IDC MarketScape covers a variety of vendors participating in the BA BPO arena. The evaluation is based on a comprehensive and rigorous framework that assesses each vendor relative to the criteria and to one another. The framework highlights the factors expected to be the most influential for success in the market in both the short term and the long term. Key success factors for business analytics BPO services vendors include:

- **Talent management.** Rapid demand for analytics solutions and the advent of new technologies have created a huge demand for various skill sets associated with business analytics services. The surplus in demand is putting tremendous pressure on BPO services providers to attain, train, and retain top talent for their business analytics practices. The skill gap is across the board, from data scientists to Hadoop architects to data warehousing specialists for various platforms. Vendors that have created talent management strategies to successfully handle the skill shortage issues will be in the driver's seat to handle client needs currently and in the future.
- **Life cycle of business analytics services.** Clients tend to prefer consuming the full life cycle of business analytics services, from assessment to process outsourcing, when they utilize external resources for their analytics needs. Those vendors that possess the capability to deliver across the value chain of business analytics services will stand to gain a larger market share.
- **Services portfolio strength.** Worldwide, service providers in general offer a strong suite of BPO analytics offerings to cater to clients' business analytics needs.
- **Vendor strategies.** On the long-term front worldwide, generally, BPO services providers have created solid strategies to consolidate and build on the current BA BPO functionality and offerings and improve current R&D processes and initiatives to meet the market demand for business analytics solutions in the near future. In addition, BPO services providers in general have developed solid strategies to enhance customer centricity and to provide consistent delivery of business analytics solutions.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This research includes analysis of 13 leading BA BPO services providers with broad portfolios spanning IDC's services research coverage and with global scale. This assessment is designed to evaluate the characteristics of each service provider. The inclusion criteria dictates that the analytics

services provided are long-term outsourcing engagements attached to the provider's BPO services practice and that each provider should have at least three key horizontal lines of BPO services. In addition, it is conceivable, and in fact the case, that specialty firms can compete with multidisciplinary firms on an equal footing. *As such, this evaluation should not be considered a "final judgment" on the firms to consider for a particular project.* An enterprise's specific objectives and requirements will play a significant role in determining which service provider should be considered as a potential candidate for an engagement.

Because the BA BPO services market has evolved since the previously published BA BPO evaluation study (see *IDC MarketScape: Worldwide Business Analytics BPO Services 2012 Vendor Analysis*, IDC #234937, May 2012), the basis of comparison has changed over time. Therefore, IDC believes it's important to remember this evolution when comparing the absolute position of any single vendor between this IDC MarketScape and IDC's previous vendor evaluations.

ESSENTIAL BUYER GUIDANCE

- **Pay attention to domain knowledge.** Over the years, service providers have built deep industry expertise across certain business needs. This capability and their own business insight enable providers to identify inefficiencies across these business processes (by industry) and recommend "best practices" to optimize their customers' business. Therefore, an appropriate mapping of your business process needs, coupled with the domain knowledge of your business analytics services provider, is essential for your business analytics solution's successful implementation and the business benefits derived subsequently.
- **Create a culture of analytics.** Business analytics is not just about creating a single version of the truth. It's also about creating the right processes to manage and make use of valuable enterprisewide data as well as aligning the mindset of the company employees to embrace the importance of and put into practice information-based decision making. To be successful in utilizing the true benefits of a business analytics undertaking, it is crucial to define and govern all three aspects of business. Only by defining and governing information, processes, and people can a company create a successful culture of analytics.
- **Don't neglect the basics.** Businesses often realize that there are problems with data integrity once they have invested in and committed themselves to the data migration process. As a consequence, the data migration process gets delayed, and firms face other critical challenges such as an increase in migration errors and cost overruns associated with the migration projects. To avoid most of these roadblocks occurring in the future, it is critical that the data cleansing happens before the migration phase of a data migration project is initiated. A clean data source will allow much smoother migration of data from the current system to a new system, resulting in fewer migration errors and project delays as well as lower project costs overall. It will also enable subsequent stages such as data mining and predictive analytics to be more accurate.
- **Align vendor strength with project success.** Select BPO services partners for your business analytics services engagements that are strong at key elements of successful outsourcing. Firms that were successful in carrying out business analytics BPO engagements consistently

helped their customers achieve desired business outcomes while adhering to SLAs and meeting project timelines.

- **Use this IDC MarketScape for vendor evaluation.** Use the insight from this IDC MarketScape in contract negotiations and as a tool not only to short list vendors (by identifying key characteristics for long-term business benefits) for business analytics BPO services bids but also to evaluate vendors' proposals and presentations.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each criteria outlined in the Appendix, each profile includes a summary of the vendor's strengths, opportunities, and challenges (based on customer perception). These relate to each vendor's three highest and three lowest scores on the approximately 52 IDC MarketScape characteristics evaluated. Thus the areas of strength or opportunity are not a direct comparison of one vendor to another but simply IDC's opinion about where a given vendor is doing its best and where it can focus for most improvements. Regarding areas of opportunity, it's important to understand IDC is not identifying a vendor's weaknesses but rather a vendor's lowest individual scores. IDC's assessment includes 13 vendors (in alphabetical order and for illustrative purpose only): Accenture, Aegis, Capgemini, Cognizant, Dell, EXL, Genpact, HP, IBM, TCS, Tech Mahindra, Wipro, and WNS.

Cognizant

According to IDC analysis and buyer experience and perception, Cognizant is a Leader in this worldwide IDC MarketScape.

Cognizant is one of the leading providers of consulting, information technology, and business process services. Cognizant's associates assist their clients worldwide to build stronger businesses and maximize their competitive performance through innovative technologies and processes.

The industry-aligned BPS practice within Cognizant brings strategic insight, technology expertise, and industry and business process experience to help clients harness the forces shaping the future of work. Cognizant's intent is to make organizations agile and competitive while ensuring superior business outcomes. Cognizant's approach includes planning, building, operating, and optimizing any and all parts of the company's clients' business processes. Its analytics approach engages clients' business with both "run better" (through operational analytics, risk and compliance, and process efficiencies) and "run different" (through targeting newer geographies, creating new products, and enhancing customer experience)" solutions.

Cognizant's BPS analytics solutions are vertically aligned and integrate technology, harness automation, streamline processes, and make meaning from Big Data as a cohesive service for enhancing organizational value and creating business impact. Further, its focus around Code Halos – analyzing the process-aligned data and information around people, organizations, and devices – allows Cognizant to define and create meaning across the value chain.

Cognizant's analytics BPS solutions include contractual and operational insights (using analytics to create better processes), analytics consulting (short- or long-term projects to define and implement data and analytics strategy), and business outcomes – driving tangible insights and outcomes and integrated outcome capabilities – all working together to move clients toward ongoing, iterative, and automated analytics value.

Strengths

According to IDC's 2014 *Global Business Analytics BPO Services Buyer Perception Survey*, the top 3 strengths highlighted by clients for Cognizant were its ability to:

- Leverage resources globally
- Manage vendor staff turnover during an outsourcing contract's lifetime
- Deliver project value relative to the cost of outsourced services

Opportunities

According to IDC's 2014 *Global Business Analytics BPO Services Buyer Perception Survey*, Cognizant can further enhance its position in future similar IDC MarketScape documents by improving client experience and perception in the following areas:

- Value of services/solution and delivery methodology/tools that the client is currently consuming
- Change management/process capability
- Ability to provide functional insights and competence

Challenges

Based on Cognizant's future strategy for business analytics BPO services, IDC believes Cognizant's top 2 challenges are:

- **Growth strategy.** During the evaluation process, Cognizant indicated that it did not have a significant plan, but acquisitions were part of its strategy. For Cognizant to further increase its growth, it should focus on making niche BPO analytics acquisitions in the next 12 months. Given its size and current growth rates, its strategy to grow organically is in place, but it needs to focus on inorganic growth.
- **Innovation/R&D pace and productivity.** While Cognizant articulated a well-laid-out globally centralized innovation strategy in place, it needs to focus on working more closely with its partners to increase the quality of its BPO analytics solutions.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represent the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants and end users. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Note: All numbers in this document may not be exact due to rounding.

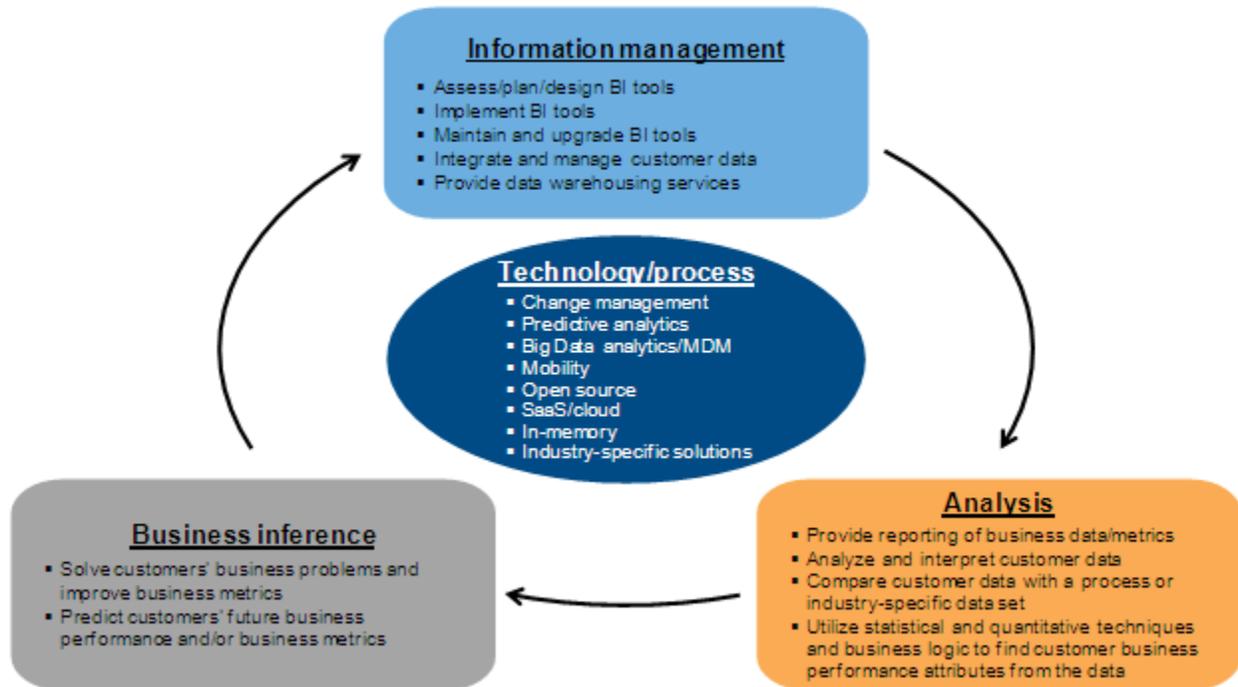
Market Definition

IDC believes the business analytics services value chain is made up of the following three pillars or areas: information management, analysis, and business inference. At the same time, a certain set of processes and technologies need to be delivered across these three areas. IDC believes the coupling of these processes and technologies with the previously mentioned areas defines the complete value chain of business analytics services (see Figure 2). For a detailed definition of the business analytics services illustrated in Figure 2, see *IDC's Worldwide Business Analytics Services Taxonomy, 2012* (IDC #237626, December 2012).

This IDC MarketScape provides vendor assessment with regard to the advisory, assessment, plan, design, and build phases of the business analytics services value chain.

FIGURE 2

Business Analytics Services Value Chain



Source: IDC, 2014

LEARN MORE

Related Research

- *U.S. Finance and Accounting Business Process Outsourcing Buyer Study Results, 2014* (IDC #249055, June 2014)
- *The Case for Analytics* (IDC #248563, May 2014)
- *Worldwide and U.S. Business Process Outsourcing Services 2014-2018 Forecast: Automation and Analytics Will Enable Differentiation* (IDC #248186, May 2014)
- *Worldwide Business Analytics Technology and Services 2013-2017 Forecast* (IDC #245099, December 2013)
- *Business Process Outsourcing (BPO) Providers – Aligning Big Data and Analytics Capabilities with Customer Buying Preferences and Expectations* (IDC #244059, October 2013)
- *Worldwide Business Analytics Services 2013-2016 Forecast* (IDC #240277, April 2013)
- *IDC's Worldwide Business Analytics Services Taxonomy, 2012* (IDC #237626, December 2012)

- *Business Process Outsourcing Services – Enabling Enterprise Transformation* (IDC #237993, December 2012)

Synopsis

This IDC study represents a vendor assessment of the business analytics BPO services providers through the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that explain success in the business analytics BPO services market. This IDC MarketScape covers a variety of vendors participating in the business analytics BPO services space. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and to one another and highlights the factors expected to be the most influential for success in the market in both the short term and the long term.

"As more business data gets consolidated and is made available to executives, outsourced Big Data and analytics services will continue to get embedded and pervade deeper into the enterprise. As these services become a key component in ensuring the agility and effectiveness of an enterprise's business processes and BPO vendors are able to provide a diverse range of industry-specific use cases and assist customers in preparing a business case, customer adoption will increase. Vendors will also focus on acquiring or partnering with technology firms that provide unique Big Data or analytics IP to create differentiated offerings and create additional capabilities including highly skilled talent that will enable them to offer services across the value chain," said Mukesh Dialani, research director, Worldwide BPO and Engineering Services.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

Global Headquarters

5 Speen Street
Framingham, MA 01701
USA
508.872.8200
Twitter: @IDC
idc-insights-community.com
www.idc.com

Copyright Notice

This IDC research document was published as part of an IDC continuous intelligence service, providing written research, analyst interactions, telebriefings, and conferences. Visit www.idc.com to learn more about IDC subscription and consulting services. To view a list of IDC offices worldwide, visit www.idc.com/offices. Please contact the IDC Hotline at 800.343.4952, ext. 7988 (or +1.508.988.7988) or sales@idc.com for information on applying the price of this document toward the purchase of an IDC service or for information on additional copies or Web rights.

Copyright 2014 IDC. Reproduction is forbidden unless authorized. All rights reserved.

