IDC MarketScape


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THIS IDC MARKETSCAPE EXCERPT FEATURES ACCENTURE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Industry Collaborative Cloud Professional Services Vendor Assessment

Source: IDC, 2017

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 Industry Collaborative Cloud Professional Services 2017 Vendor Assessment (Doc #US41907917). 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

The industry collaborative cloud market is young, yet growing fast, with dozens of new industry collaborative clouds emerging each year across many industries, including financial services, healthcare, life sciences, manufacturing, retail, energy, and even government. Within these industries, more than 150 industry clouds have already been created, generating over $1 billion in revenue. While the market's tipping point is likely still a couple years away, IDC is expecting significant growth – predicting that, by 2020, revenue in this space will exceed $20 billion. IDC believes the industry cloud market represents one of the largest vertical growth opportunities for technology vendors and professional services firms through 2025, and the industry collaborative cloud segment will be an important piece of this quickly growing strategic market.

General awareness and familiarity with the industry collaborative cloud concept and business opportunity is also growing quickly in most industries. Today, more than 50% of companies across verticals are familiar with the term *industry collaborative cloud*, though only 33% fully understand the term's meaning. But despite the need for continued market education on the concept terminology, 50% of companies currently have plans to consume services through an industry collaborative cloud, with 18% of those having already begun, 36% starting in the next year, 27% beginning within 24 months, and only 18% planning to wait more than 2 years. Moreover, 44% of companies are already in discussions to help support or create an industry collaborative cloud, and half of those have already begun. As this market develops, the business opportunity for professional services firms will grow exponentially, as the demand for services will exist throughout the entire life cycle of industry cloud creation and operation. Starting in strategy, design, development, and QA, the need for these services will extend all the way across into integration, maintenance, support, and even client onboarding and ongoing operations.

Despite the expanding industry cloud market and growing demand for related professional services, interestingly, this space is still rather greenfield from a vendor standpoint. No technology vendors or professional services firms have yet established themselves as the clear "leaders" in the industry cloud market, so there is a strong near-term opportunity for firms that can make a name for themselves in this space and get ahead of the competition to capture the growing market.

IDC has received a quickly growing stream of inquiries from its customers across many industries that are in search of industry cloud-related professional services assistance. With many corporations now strategizing their involvement in, or potential creation of, industry clouds, they seek advice on which professional services firms have the most experience and successful track record with helping companies plan, design, and build industry clouds.

To assist companies with their evaluation, this document evaluates the top 9 professional services vendors that to date have the most experience serving the industry cloud market, with a specific focus on the planning, designing, and building of industry clouds. For the purposes of this study, this may
include strategy consulting, process design, system design, platform design, system selection assistance, go-to-market strategy, management consulting, regulatory compliance consulting, enterprise technology strategy or transformation, and other types of industry cloud-related strategic services.

When evaluating vendors, the key criteria companies should consider (all of which are discussed in this document) include:

- Breadth of industry cloud-related services offered, depth of related project experience, and number of customers the vendor has served
- Geographical footprint, global delivery capabilities, level of priority, and focus by the vendor on the industry cloud market and its pace of investment in related capabilities
- Industry-specific expertise
- Corporate financial stability
- Willingness and competence to contract with clients under a risk/profit-sharing contract model
- Diligent vetting of customer references to examine vendor capabilities surrounding industry knowledge, IT skills, project management, account management, and overall value delivery to clients

**IDC MARKETSCAPE VENDOR INCLUSION CRITERIA**

Through its clients and contacts across most industries, IDC Insights frequently has unique visibility into vendor selection processes within many companies. For a vendor to be considered for inclusion in this study, the vendor’s services must have been significantly evaluated for purchase within a recent industry collaborative cloud deal with which IDC is familiar. Further research and due diligence were then conducted to narrow the list of vendors to only those that had won contracts and that IDC viewed as legitimate contenders for future deals within the industry collaborative cloud market.

**ESSENTIAL BUYER GUIDANCE**

Strategic discussions focused on industry collaborative clouds are now under way at more than a third of industrial companies, yet many of these endeavors remain in their infancy as they attempt to identify, design, and solidify the best business model and approach for creating this new capability/offering. However, the opportunity exists for many of these projects to move quicker while also increasing their likelihood of success. Several professional services firms already have solid experience helping companies along this industry collaborative cloud journey. As such, companies simply need to engage them as a partner and enlist their services to help guide them along the path. The challenge, which hopefully is made easier by utilizing this document, is simply choosing the right firm. For starters, companies should seek vendors with several specific proven attributes, including:

- Deep, proven industry-specific expertise, with a strong book of references
- Proven understanding of industry regulations and compliance initiatives
- A referenceable portfolio of previously built industry collaborative clouds
- Willingness to provide dedicated resources on an ongoing basis across sequential projects to maintain acquired best practices
- Capability to provide onshore/onsite resources
In addition, when engaging with a professional services partner on industry collaborative cloud creation, companies should:

- Observe whether vendors are vertically organized internally. This helps ensure their leadership is more in tune with industry-specific needs and increases the likelihood that future development will be closely aligned with your needs.
- Consider each vendor's breadth of services offered (for future relationship expansion), depth of experience with cloud-related ventures, pricing model flexibility (willingness to share risk), and whether the vendor's culture will be a good match for your company's societal order.
- Make sure all functional and technical requirements are signed off on by all stakeholders in your company that may be impacted by any strategic initiative. Involving all stakeholders early in the evaluation process will also help encourage broader ownership and reduce any potential resistance.

**VENDOR SUMMARY PROFILE**

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 of the criteria outlined in the Appendix, the description here provides a summary of the vendor's strengths and challenges.

**Accenture**

After a close evaluation of Accenture's offerings and capabilities, IDC has positioned the company in the Leaders category within this IDC MarketScape. Established in 1989, Accenture developed its first industry cloud six years ago in 2011. The company, incorporated in Dublin, Ireland, has offices in more than 120 countries and has many delivery centers on four continents, including 19 in North America. IDC estimates that Accenture derives roughly 13% of its revenue from cloud-related projects, with over 90% of company revenue coming from companies of $1+ billion in size.

**Strengths**

Accenture has extensive experience working with companies to plan, design, and build industry collaborative clouds. Accenture has helped develop a large number of industry collaborative clouds across 12 different industries, with the footprint of these industry collaborative clouds spanning North America, Europe, and Asia. Broken down by industry, the highest number of projects to date have resided in automotive, consumer goods, financial services, healthcare, insurance, and the life sciences. Relative to other vendors discussed in this document, and based on feedback from multiple customer references, Accenture was rated highly in industry collaborative cloud expertise and overall value delivery.

**Challenges**

Companies building industry collaborative clouds are increasingly demanding contracts with services firms that embody significant risk and profit sharing. In alignment with this need, Accenture's preferred contract approach is to have "skin in the game" via value-based or outcome-based pricing; however, Accenture does offer many pricing models for industry collaborative cloud projects, including fixed, T&M, capacity-based, milestone-based, outcome/value-based, and as-a-service models. Accenture should continue to seek industry collaborative cloud opportunities in all industries, though industrial manufacturing should be a strong nearer-term priority as it ranks as one of the fastest-growing industries for industry collaborative clouds.
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 represents 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 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.

Market Definition

Industry collaborative clouds (ICC) are defined as cloud-based platforms through which multiple companies in an industry collaborate in some fashion toward a common goal, such as improving industry insight and/or capability. They typically generate broad industry value by creating insight via pooled information but may also do so by aggregating operational benefits, cost reductions, and/or mitigating risk. The evaluation in this document focuses on the planning, designing, and building of industry collaborative clouds, which may include strategy consulting, process design, system design, platform design, system selection assistance, go-to-market strategy, management consulting, regulatory compliance consulting, enterprise technology strategy or transformation, and other types of related strategic services.
Related Research

- "Top Preferred Hardware (Cloud Infrastructure) Vendors for Industry Clouds in 2017 (IDC #US42013517, January 2017)"
- "Top Preferred Professional Services Firms for Industry Clouds in 2017 (IDC #CA40525116, January 2017)"
- "IDC PlanScape: Building the Business Case for the Cloud Transition Strategy (IDC #US41154516, April 2016)"
- "Cloud Strategies: Needed Roles for the Different Phases of the Cloud Transition (IDC #US41052315, March 2016)"

Synopsis

This IDC study provides an assessment of where the industry collaborative cloud market is headed, how the major professional services firms servicing the space compare with each other, and what criteria are most important for companies to consider when selecting a service provider.

Eric Newmark, program vice president of IDC’s Industry Cloud research, noted, “The industry collaborative cloud market is young, yet growing fast, with dozens of new industry collaborative clouds emerging each year across many industries, including financial services, healthcare, life sciences, manufacturing, retail, energy, and even government. Within these industries, more than 150 industry clouds have already been created, generating over $1 billion in revenue. While the market's tipping point is likely still a couple years away, IDC is expecting significant growth — predicting that, by 2020, revenue in this space will exceed $20 billion. IDC believes the industry cloud market represents one of the largest vertical growth opportunities for technology vendors and professional services firms through 2025, and the industry collaborative cloud segment will be an important piece of this quickly growing strategic market.”
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