

# Everest Group PEAK Matrix<sup>®</sup> for Next-generation Application Management Service Providers 2021

Focus on IBM  
December 2020



## Background of the research

Application management as a practice area has evolved over the years with changing technologies and enterprise priorities. As with other segments within application services, the focus of application management has been improving productivity and reducing costs while ensuring applications are up and running. Next-generation application management is the evolution of the traditional AMS. More mature models of service delivery, newer financial constructs, and evolved governance models apart from the use of more advanced technologies are some of the differentiating factors of next-generation AMS vis-à-vis traditional AMS. Enterprises are increasingly demanding next-generation AMS from their service providers in order to cut the run spend and divert it toward modernization and creation of new assets.

This report examines the dynamics of the global next-generation application management service provider landscape. We present an assessment of 24 service providers featured on the next-generation application management services PEAK Matrix®.

**This report includes the profiles of the following 24 leading next-generation AMS service providers featured on the next-generation application management services PEAK Matrix®:**

- **Leaders:** Accenture, Capgemini, Cognizant, HCL Technologies, IBM, Infosys, TCS, and Wipro
- **Major Contenders:** Aspire Systems, DXC Technology, LTI, Mphasis, Mindtree, NTT DATA, Softtek, Stefanini, Tech Mahindra, Unisys, UST Global, and Zensar
- **Aspirants:** Datamatics, GAVS, Jade Global, and Yash Technologies

### Scope of this report:



**Geography**  
Global



**Service providers**  
24 leading next-generation application management service providers



**Services**  
Next-generation application management service providers

## Next-generation application management services PEAK Matrix® characteristics

### Leaders:

Accenture, Capgemini, Cognizant, HCL Technologies, IBM, Infosys, TCS, and Wipro

- Leaders have exhibited strong client orientation and have helped their clients in the management of complex business-critical applications using next-generation application management principles to achieve faster time-to-value, enhanced user experience, reduce the run spend, and drive innovation
- They have made significant investments in building IPs and partnerships to accelerate the application development process and deliver custom solutions to clients
- While Leaders are delivering enhanced business value, they can further fine-tune certain aspects of their application service delivery such as price and solution flexibility

### Major Contenders:

Aspire Systems, DXC Technology, LTI, Mphasis, Mindtree, NTT DATA, Softtek, Stefanini, Tech Mahindra, Unisys, UST Global, and Zensar

- Major Contenders have exhibited a high degree of responsiveness to client requirements and have supported clients in building strategy and prospective business cases
- They have been able to develop sophisticated applications and are extensively leveraging partnership network to fill capability gaps
- Major Contenders need to develop proof points to demonstrate capabilities to lead large-scale transformation of complex and critical applications leveraging principles of next-generation application management

### Aspirants:

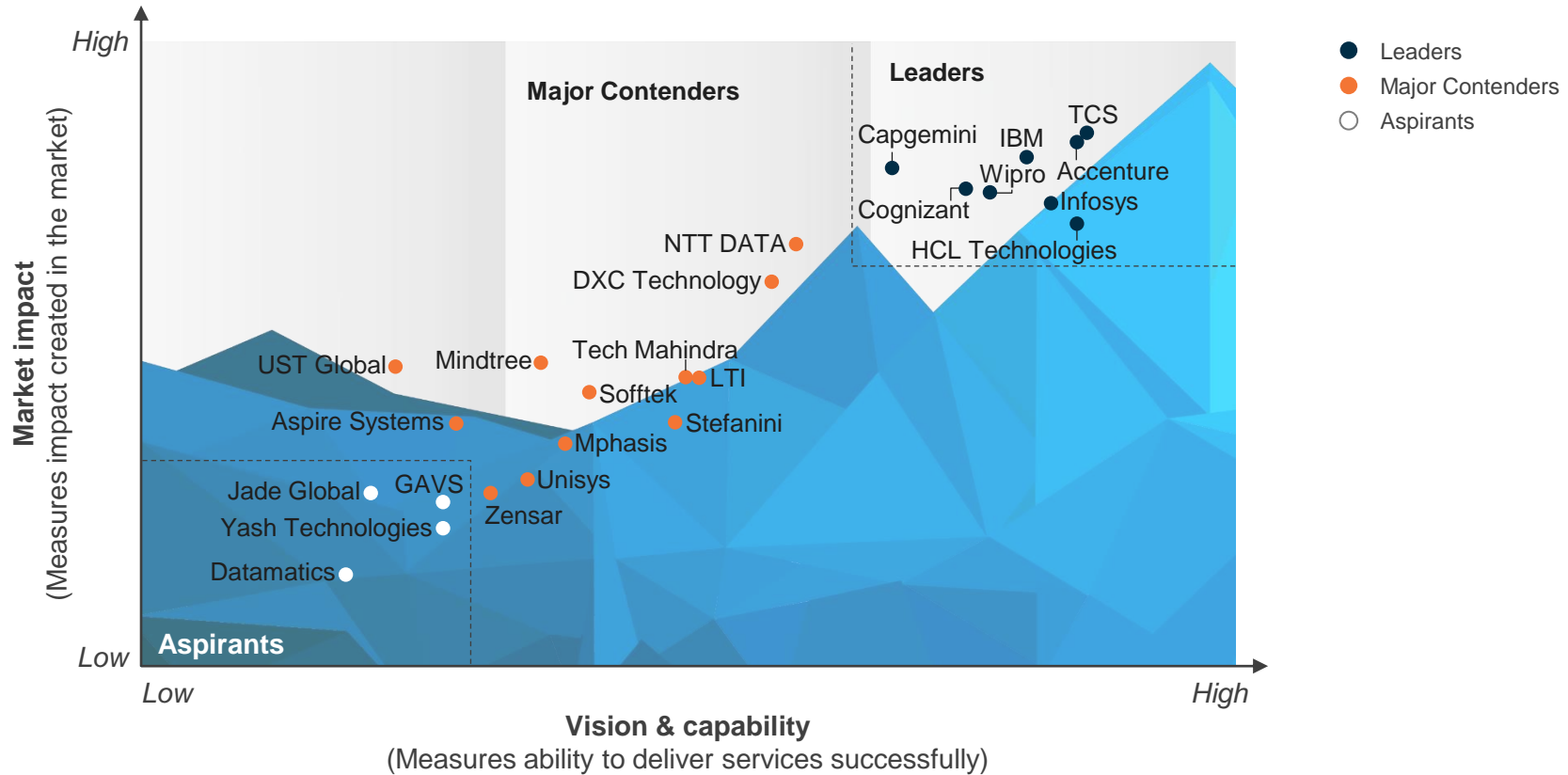
Datamatics, GAVS, Jade Global, and Yash Technologies

- Aspirants are either focused on a region(s) or vertical(s), or currently have relatively smaller next-generation AMS practice
- While they are limited by scale to cater to the requirements of large global players, they have been collaborating with clients and other service providers to drive innovation and value through their niche capabilities
- Aspirants need to invest in developing IPs and partnerships to enhance their service offering

# Everest Group PEAK Matrix®

## Next-generation Application Management Services PEAK Matrix® Assessment 2021 | IBM positioned as Leader

### Everest Group Next-generation Application Management Services PEAK Matrix® Assessment 2021



Note: PEAK Matrix® specific to next-generation application management services  
 Source: Inputs from market players, recruitment firms, and investment agencies

# IBM | Next-generation application management services (page 1 of 3)

## Overview

### Overview of services:

IBM's next-generation AMS is part of CAS Application Innovation segment within its Global Business Services (GBS) unit. Its capabilities support various strategies and shifts such as single-pane visibility and service integration for interoperability and transparency in hybrid/multi-cloud environments, intelligent automation for cost efficiency, DevSecOps and site reliability engineering for high resilience and availability, full-stack cloud squads for improving innovation velocity, quality engineering for robust delivery, and continuous cloud modernization for tech debt reduction.

### Vision:

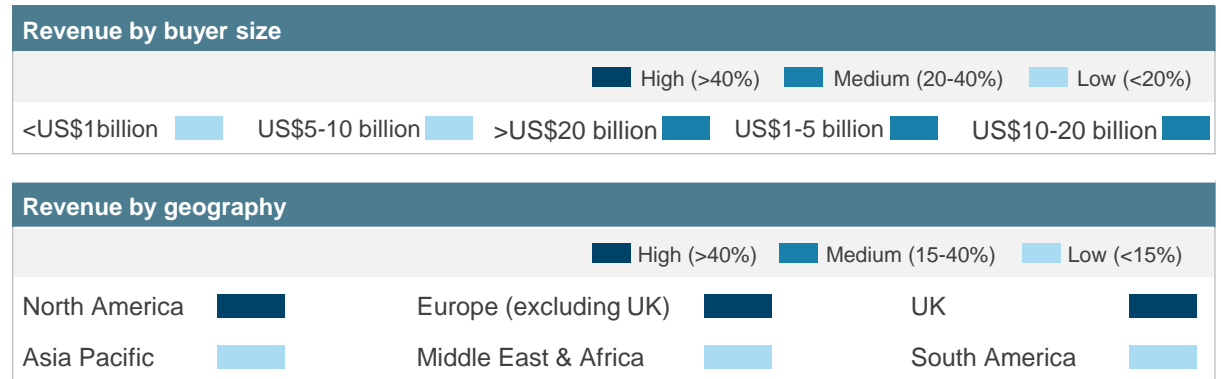
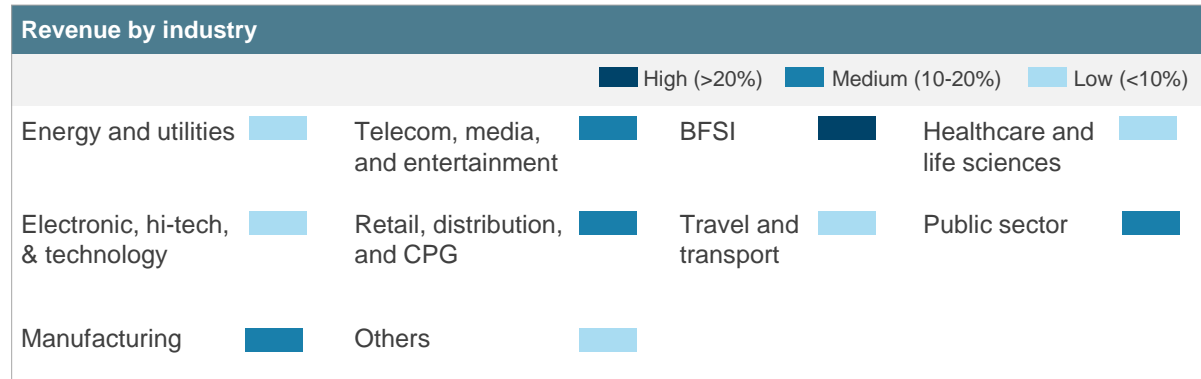
IBM's vision for next-generation application management services is cognitive-driven, intelligent, automated, and industry-centric. It marries the state-of-the-art software engineering practices from the IBM's Garage methodology, with matured IBM NextGen AMS Platform toolkit that provides high cost-efficiency, high availability, and resiliency delivered with agility and speed with extremely high focus on security and reliability, for the new-generation hybrid multi-cloud platform and application portfolio management.

### Strengths

- IBM has a robust value proposition for next-generation AMS, underpinned by intelligent automation for cost efficiency and DevSecOps and SRE for high resilience and availability
- It has a strong focus on deploying advanced technologies and its AI platform – Watson – for AMS clients; this has been well-received in the market
- Clients appreciate IBM's domain expertise that it brings for next-generation AMS, as well as proactiveness in resolving problems
- It has set up IBM Industry Academy consisting of IBM's leaders across industries, which also helps it enhance the value delivered to AMS clients

### Areas of improvement

- Clients tend to view IBM as expensive and commercially less flexible compared with peers for next-generation AMS services; the market expects IBM to drive better risk-reward AMS engagements
- It needs to further balance its innovation agenda for clients with excellence in day-to-day delivery so that both objectives are met
- IBM needs to enhance its talent management practices to ensure that clients get the right resources at the right time, and reduce attrition in teams serving clients



# IBM | Next-generation application management services (page 2 of 3)

## Case studies and solutions

Case study 1	Improving the response toward order-peaks	Case study 2	Developing automation solution for transformation initiative
<p><b>Client:</b> Oriflame Cosmetics</p> <p><b>Business challenge</b> With its on-premises IT infrastructure, Oriflame lacked the agility needed to respond to sudden ordering peaks related to high impact sales campaigns</p> <p><b>Solution</b> Oriflame had migrated its infrastructure to the cloud and turned to IBM for managing the platform and an array of cloud services. IBM ensured complete automation and continuous improvements, which helped in achieving the desired productivity year on year</p> <p><b>Impact</b> IBM was able to increase Oriflame’s global system availability. Oriflame was able to speed up the total resolution time for incidents by 5.4% with support from IBM services to operate the platform. The system was rendered capable of processing more than a thousand orders per minute</p>		<p><b>Client:</b> Pitney Bowes</p> <p><b>Business challenge</b> IBM’s engagement at Pitney Bowes for next-generation AMS started with the takeover of their IT-transformation initiative called “IMPACT” from the incumbent, to deliver prior commitments</p> <p><b>Solution</b> IBM developed an automation-driven solution with YoY productivity benefits and a continuous innovation framework to improve efficiency. It also delivered AM/AD services consistently across diversified technology landscape</p> <p><b>Impact</b> Pitney Bowes attained contract productivity targets through automation/innovation and was able to deliver self-serve capabilities to the business.</p>	

### Next-generation application management services proprietary solutions (representative list)

Proprietary solutions	Details
Cognitive assistant	Assisted automation solution running on Watson engine to auto-curate knowledge management documents. It provides AMS practitioners and business users faster and standard resolution to issues with intelligence
DevOps commander	DevOps Commander automates DevSecOps provisioning and provides AI-based insights into the overall operations through DevOps intelligence
Digital worker	Role-based solution, automating the tasks associated with a specific job role (PMO, monitoring, QA, data loader, support assistant, ticket manager, etc.)
Intelligent automation solution	A suite of AI solutions on IBM automation platform that provides the ability to manage AMS with end-to-end automation. These solutions are comprised of intelligent helpdesk, automated self-heal, and SmartOps for transition

# IBM | Next-generation application management services (page 3 of 3)

## Partnerships and investments

NOT EXHAUSTIVE

Next-generation application management services investments (representative list)	
<b>Partnership</b>	<b>Details</b>
CAST	Partnered with CAST Software for their automated code analysis platform. The CAST Application Intelligence Platform (CAST AIP) is used to scan applications for both code quality metrics and security violations
Automation Anywhere	Partnership with Automation Anywhere has allowed IBM to leverage the latest advances in RPA technology landscape and utilize priority support and competitive cost model for its clients
New Relic	IBM has partnered with New Relic APM. New Relic's analytics product for Application Performance Monitoring (APM) delivers real-time and trending data about clients' web applications' performance and the level of satisfaction that their end-users experience.
Blue Prism	Blue Prism has recognized IBM as a second Certified Gold Service Provider. IBM has experience in supporting Blue Prism customers across a variety of industry sectors including finance, insurance, healthcare, federal government, and industrial sectors.
<b>Acquisition</b>	<b>Details</b>
RedHat	The acquisition positions IBM as a leading hybrid cloud provider and accelerates IBM's high-value business model, extending Red Hat's open source innovation to a broader range of clients
Spanugo	A global leader in providing cybersecurity and posture assurance for the enterprise hybrid cloud through automated discovery, assessment, analysis, monitoring, and remediation
WDG	WDG automation's RPA, AI, natural language, IVA, and chatbot capabilities extend IBM's AI-infused automation capabilities across IT and business operations
<b>Talent</b>	<b>Details</b>
AI/ML	Infusing AI/ML skills to bring in AI in IT operations and helping quality engineers. IBM has trained close to 50,000 practitioners on basic cognitive skills and 10,000 practitioners on AI/ML modeling
SRE practice	Approximately 500+ developers have been trained on SRE skills through hands-on project work and shadowing. IBM has invested heavily in creating training programs with "real world scenarios" and virtual lab environments for practitioners to gain hands-on experience
<b>Recent activity</b>	<b>Details</b>
Marketing	Next-generation AMS is highly integrated with its upgraded messaging within all relevant IBM digital events (e.g., Think 2020) that are being executed either worldwide or locally within the geography.

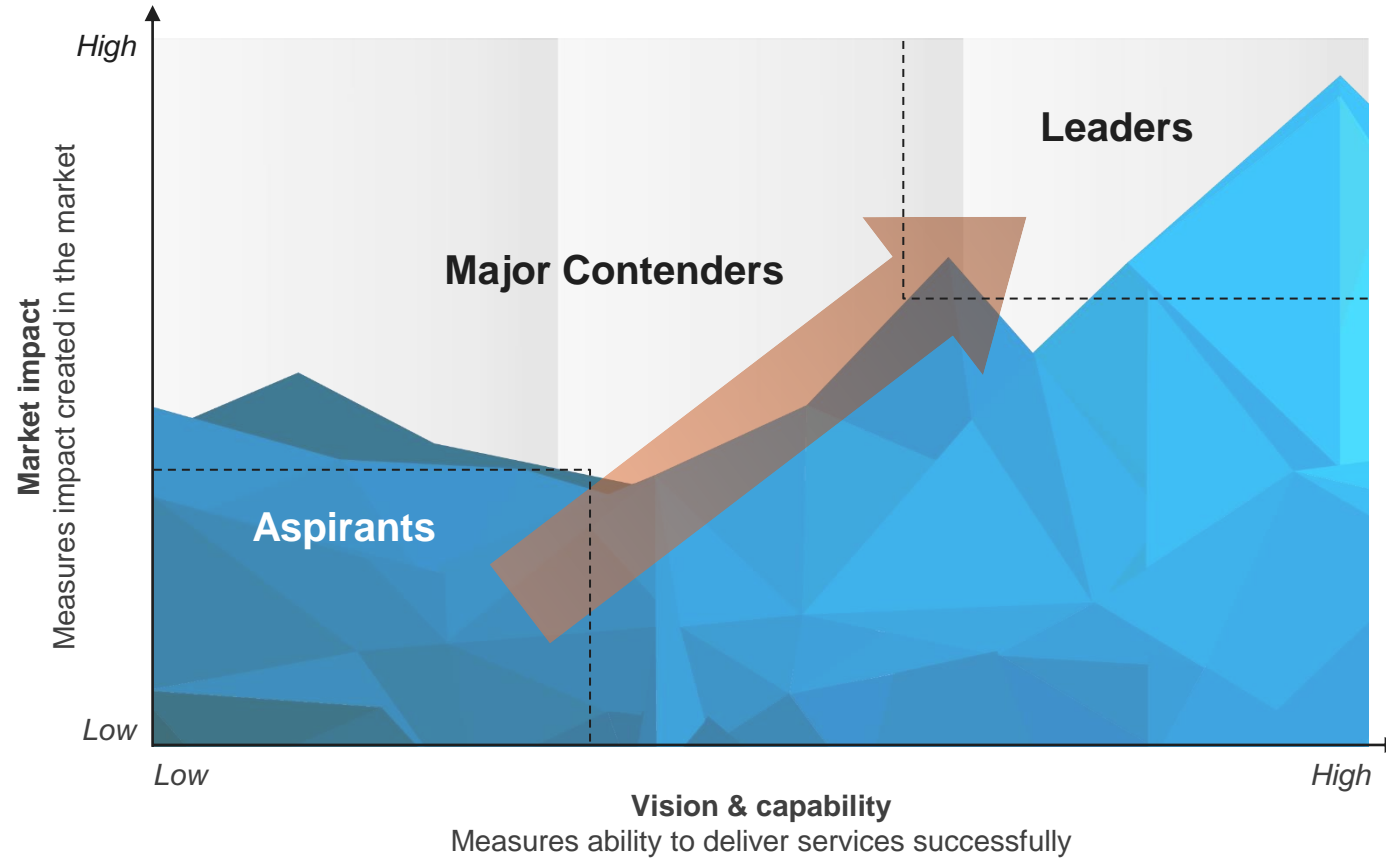
Source: Everest Group (2020)

# Appendix



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

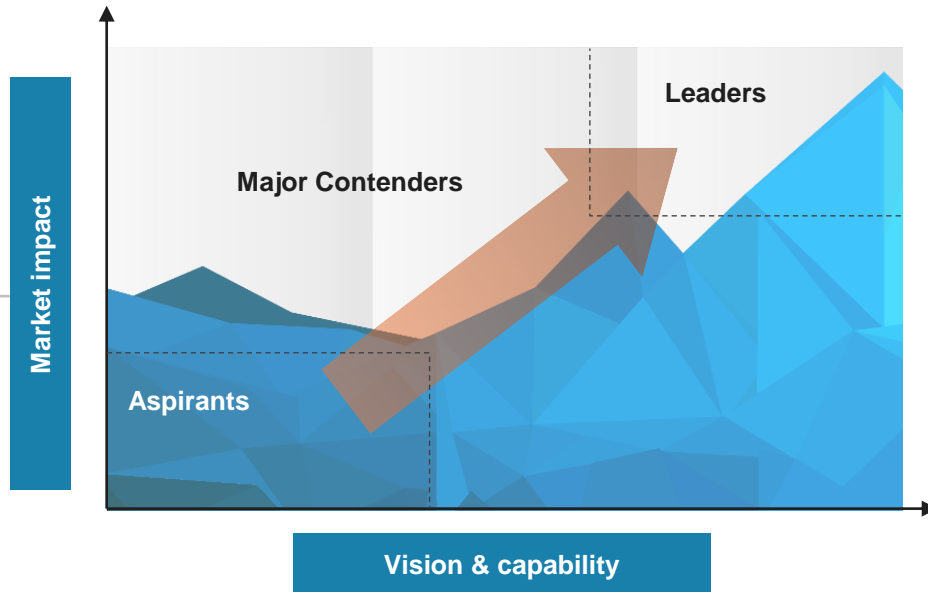
Everest Group PEAK Matrix



# 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

# FAQs

## **Does the PEAK Matrix® assessment incorporate any subjective criteria?**

Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned 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 service 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 PEAK Matrix assessment are relevant to buyers and providers besides the “PEAK Matrix position”?**

A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a “Leader”, “Major Contender,” or “Aspirant” title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

## **What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?**

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own “profile” that is published by Everest Group as part of the “compendium of PEAK Matrix providers” profiles

## **What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or “Star Performer” status ?**

- Providers/vendors can use their PEAK Matrix positioning or “Star Performer” rating in multiple ways including:
  - Issue a press release declaring their positioning. See [citation policies](#)
  - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  - Quotes from Everest Group analysts could be disseminated to the media
  - Leverage PEAK Matrix 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 the designated POC at Everest Group.

## **Does the PEAK Matrix evaluation criteria change over a period of time?**

PEAK Matrix assessments are designed to serve present and future needs of the enterprises. 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 as well as serve the future expectations of enterprises



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