



# Everest Group PEAK Matrix<sup>®</sup> for IoT Service Providers 2020

Focus on IBM  
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# Background of the research

- IoT is increasingly becoming the core of an enterprise's broader digital transformation efforts. Enterprises are investing in IoT to achieve operational efficiencies, enhance customer experience, and create new revenue opportunities. With the IoT market evolving, its adoption is extending beyond the industrial sector to consumer-facing verticals. This unlocks opportunities for IoT adoption beyond improvements in operational efficiency to enhanced stakeholder experience and newer revenue streams
- However, the gap between intended and realized outcomes, difficulty in generating optimal Return on Investment (RoI), and the IT/OT divide continue to impede IoT adoption
- Service providers thus need to leverage next-generation technologies such as edge computing, blockchain, and digital twins to improve existing use cases and develop innovative and unique use cases. Moreover, with the increasing relevance of security in the connected ecosystem, enterprises expect providers to ramp up IoT security and support IT/OT integration to successfully scale up their IoT initiatives
- In this research, we present an assessment of 18 service providers featured on the IoT services PEAK Matrix®, a comprehensive matrix that evaluates and categorizes service providers in terms of their capabilities

The assessment is based on Everest Group's annual Request for Information (RFI) process for calendar year 2019, interactions with leading IoT service providers, client reference checks, and an ongoing analysis of the IoT services market

## Scope of this report



**Services**  
IoT services



**Geography**  
Global



**Service providers**  
18 leading IoT service providers

## We have assessed the following 18 service providers on the IoT services PEAK Matrix:

- **Leaders:** Accenture, Atos, HCL Technologies, IBM, TCS, and Wipro
- **Major Contenders:** Capgemini, Cognizant, Deloitte, DXC Technology, Infosys, LTI, NTT DATA, and Tech Mahindra
- **Aspirants:** Happiest Minds, Mphasis, Prodapt, and Zensar

# Introduction and scope

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Everest Group recently released its report titled “[Internet of Things \(IoT\) Services PEAK Matrix® Assessment 2020](#).” This report analyzes the changing dynamics of the IoT services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 18 service providers on the Everest Group PEAK Matrix® for IoT services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of IoT service providers based on their absolute market success and delivery capability. Everest Group also identified 3 service providers as the “2020 IoT services Market Star Performers” based on the strongest forward movement demonstrated on the PEAK Matrix year-on-year.

Based on the analysis, **IBM emerged as a Leader**. This document focuses on **IBM’s** IoT experience and capabilities and includes:

- IBM’s position on the IoT services PEAK Matrix
- Detailed IoT services profile of IBM

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers’ relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

# IoT services PEAK Matrix® characteristics

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## Leaders:

Accenture, Atos, HCL Technologies, IBM, TCS, and Wipro

- Leaders have exhibited strong client orientation and the ability to carry out large-scale end-to-end transformation engagements
- Leaders have developed vertical-focused IPs by leveraging next-generation technologies such as AI and blockchain to deliver value to clients
- Innovative pricing models and co-investments with enterprises have helped Leaders develop a long-standing relationship with clients
- Leaders have invested in developing strong partnership ecosystems supplemented by select acquisitions to strengthen their capabilities and offer end-to-end solutions to clients

## Major Contenders:

Capgemini, Cognizant, Deloitte, DXC Technology, Infosys, LTI, NTT DATA, and Tech Mahindra

- Major Contenders have invested in setting up innovation hubs and technology labs, and developing talent base to ensure seamless service delivery for clients
- They have invested in developing an extensive portfolio of solutions, increasingly leveraging next-generation technology to differentiate themselves from other players
- Major Contenders are expanding their focus beyond industrial IoT to consumer-facing verticals and are leveraging their partnership ecosystem to develop vertical-specific solutions

## Aspirants:

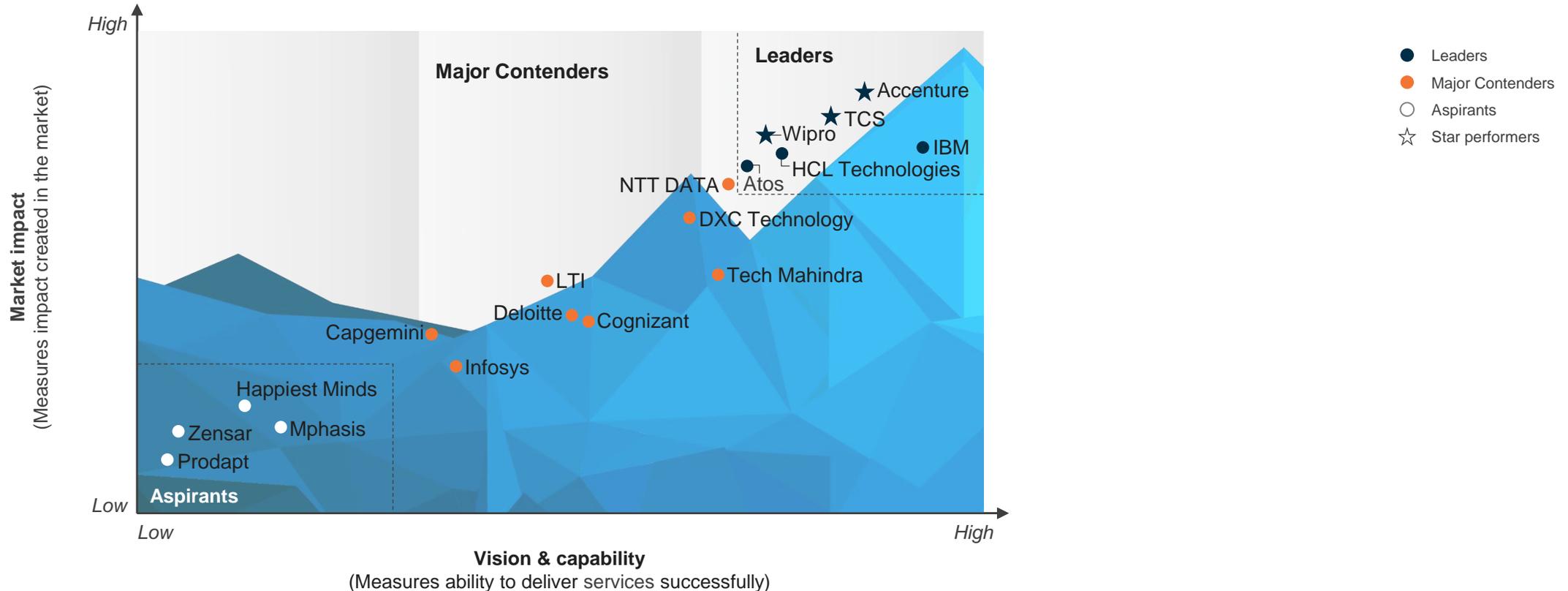
Happiest Minds, Mphasis, Prodapt, and Zensar

- Aspirants have solutions and capabilities focused on specific industries or service areas, with engagements largely centered around achieving operational efficiencies
- Aspirants need to strengthen their partnership ecosystem and invest further in IPs and solutions to provide end-to-end services to clients

# Everest Group PEAK Matrix®

## Internet of Things (IoT) Services PEAK Matrix® Assessment 2020 | IBM positioned as Leader

### Everest Group Internet of Things (IoT) Services PEAK Matrix® Assessment 2020



Note 1: Assessment for Capgemini includes partial inputs from the service provider, and is based on Everest Group's estimates that leverage Everest Group's proprietary data assets, service provider public disclosures, and interaction with buyers

Note 2: Assessment for Cognizant, Deloitte, Happiest Minds, IBM, Infosys, Prodapt, Tech Mahindra, and Zensar excludes service provider inputs on this particular study, and is based on Everest Group's estimates that leverage its proprietary Transaction Intelligence (TI) database, ongoing coverage of the service provider, public disclosures, and interaction with buyers

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any contract-specific information will be presented back to the industry only in an aggregated fashion

Source: Everest Group (2020)

## Overview

**Vision:** IBM aims to be the global leader in IoT services, enabled by an integrated multi-nodal team, a seamless ecosystem, a robust library of cloud-based solutions, and differentiated set of industry assets, models, and algorithms. The mission of the IoT practice is to transform businesses through analytics-led, IoT-enabled business and operating models for optimized efficiency, customer-centricity, economic growth, and maximized asset productivity.

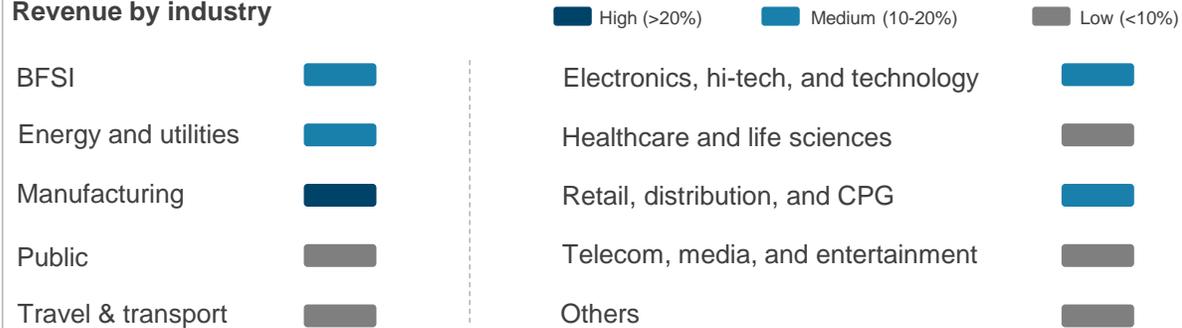
### Strengths

- Significant investments in developing thought leadership and driving innovation in engagements leveraging its consulting capabilities
- IBM has an expansive array of solutions developed in the IoT domain. It extensively leverages next-generation technologies such as edge computing, blockchain, and Watson IoT suite capabilities to augment its solutions. It has also developed multiple industry-specific solutions catering to very specific use cases
- Through targeted acquisition of firms such as Oniqua, IBM has strengthened its data management and analytics capabilities across the industrial IoT segment

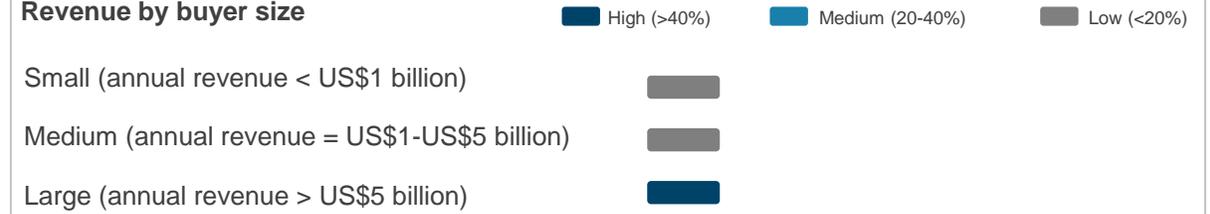
### Areas of improvement

- IBM needs to further expand its managed services capabilities to derive long-term value from IoT projects
- IBM's premium pricing positioning and relatively lower engagement flexibility compared to peers of similar scale make it less suitable for certain clients
- IBM has scope to further scale connected devices and IoT-related skills to ensure seamless delivery to clients

### Revenue by industry



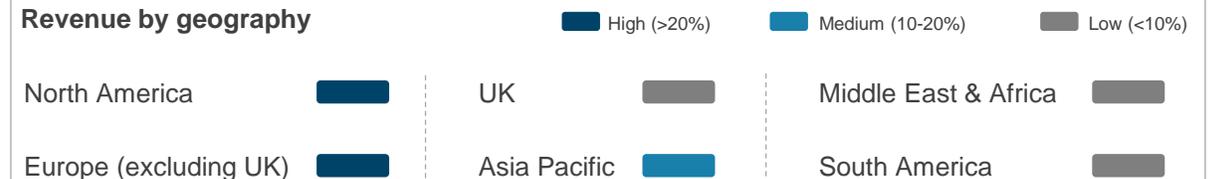
### Revenue by buyer size



### Revenue by function



### Revenue by geography



## Case studies

**Scope of services:** IBM provides end-to-end IoT implementation. IBM's Watson IoT services work in conjunction with the Watson IoT platform and IoT products to offer integrated capabilities, and deliver services by leveraging its pool of consultants, data scientists, designers, security experts, and domain specialists.

Case study 1	
Provided solution including a cloud implementation of IBM's cognitive plant advisor	
Client	Rockwool
Business challenge	The client wanted to maximize production of their mineral wool product. The melt was an operator-heavy process with high variability and the client was looking to increase throughput using IoT data and machine learning
Solution	IBM's solution included cloud implementation of its cognitive plant advisor. This involved integration of IoT data feeds from the manufacturing operations, building a predictive model and objective function, building a simple UI, and rolling out to two different plants
Impact	This tripled improvement of previous years internal effort in eight weeks

Case study 2	
Digitizing rig operations	
Client	Diamond Offshore Drilling
Business challenge	The client operates drilling rigs for offshore exploration. It wanted to have the best performing rigs in the industry, and for this it wanted to digitize operations and change the way it collected and analyzed data. It faced high operational costs and was looking at digital transformation as a means to lower this
Solution	IBM implemented enterprise asset management (Maximo) solution and predictive maintenance solution on the IoT platform
Impact	The solution improved return on asset and reduced FTEs for operations and maintenance

# IBM | IoT services (page 3 of 3)

## Solutions, partnerships, and investments

### IoT services proprietary solutions (representative list)

Proprietary solutions	Details
Maximo Enterprise asset management	It is a combination of software, systems, and services used to maintain and control operational assets and equipment. The aim is to optimize the quality and utilization of assets throughout their life cycle, increase productive uptime, and reduce operational costs
TRIRIGA	It is an intelligent real estate and facilities management solution. Through the smart application of data, IoT, and AI, it gives visibility into space and facility utilization, occupant experience, capital projects, and lease administration and accounting
Watson IoT platform	It is a managed, cloud-hosted service designed to make it simple to derive value from IoT devices. Its additional add-on services include blockchain and analytics that enable organizations to capture and explore data for devices, equipment, and machines, and discover insights that can drive better decision-making

### IoT services partnerships (representative list)

Partner name	Details
Adesto Technologies Corporation	Partnered to enhance building automation through a multi-protocol programmable edge server for energy management and workflow control
enOcean	Partnered to develop self-powered IoT solutions for intelligent buildings
HELLA Aglaia Mobile Vision	Partnered to reduce wait times and enhance customer experiences with IoT sensors in smart buildings and cities
Cisco	Partnered for edge analytics to enable business and organizations in remote locations to understand and act on critical data on the network edge

### IoT services investments (representative list)

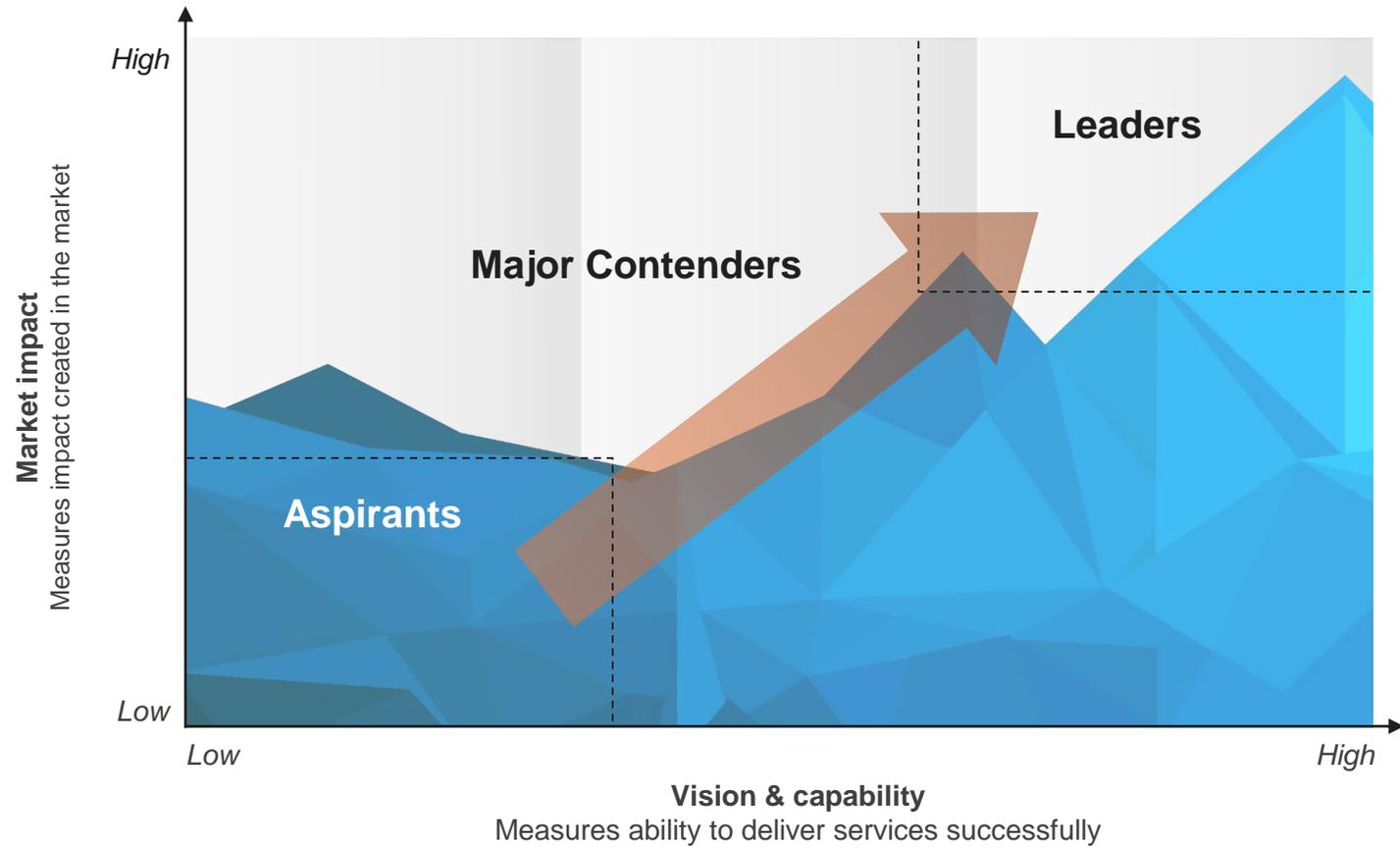
Investments theme	Details
Acquisition	Oniqua Holdings – IBM acquired Oniqua Holdings to expand its asset optimization practice as well as its enterprise asset management leadership with Maximo and IoT analytics solutions
CoE	Developed a dedicated IoT CoE to increase the likelihood of a successful IoT implementation
Innovation hubs	Established eight key client interaction hubs across the globe with locations in India, the United States (Columbus, Lansing, Baton Rouge, and Yorktown Heights), and Europe (Munich, Magdeburg, Stockholm, and Hursley) dedicated to various facets of delivering IoT solutions

# Appendix

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



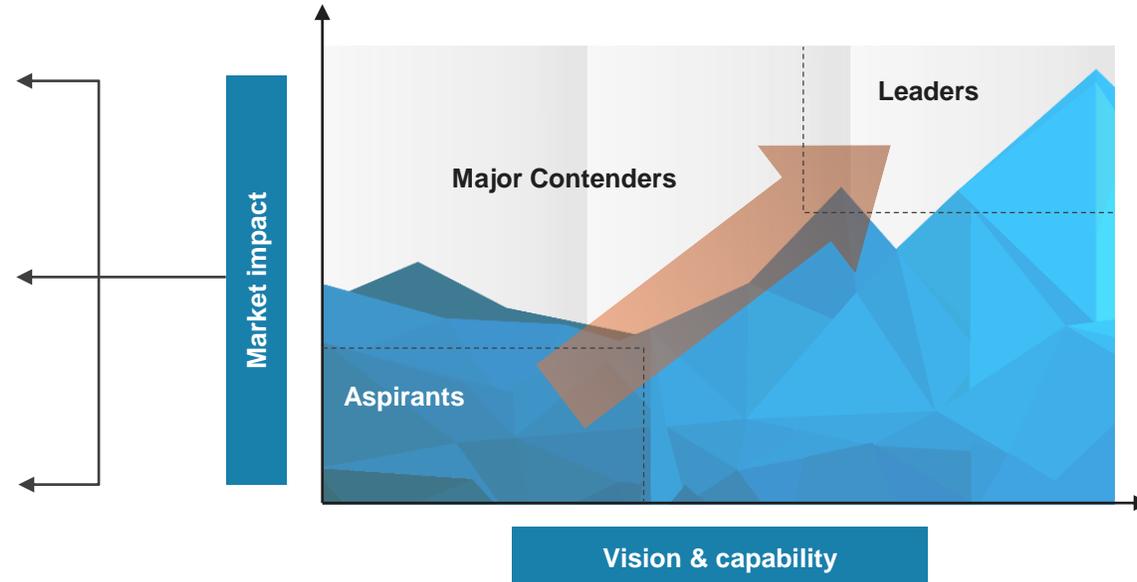
Everest Group PEAK Matrix



# Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

- Market adoption**  
No. of clients, revenue base, and YOY growth, deal value/volume
- Portfolio mix**  
Diversity of client/revenue base across geos and type of engagements
- Value delivered**  
Value delivered to the client based on customer feedback and transformational impact



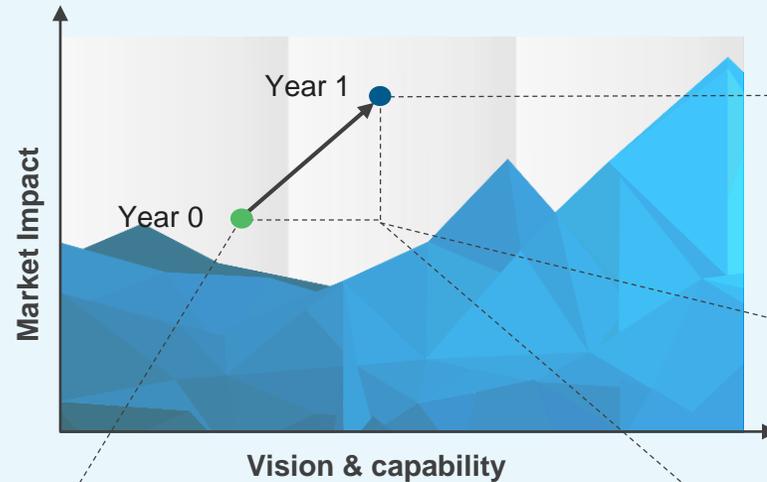
Measures ability to deliver services successfully. This is captured through four subdimensions

- 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 sub-segments / 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



In order to assess advances on **market impact**, we evaluate each service provider's performance across a number of parameters including:

- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each service provider's performance across a number of parameters including:

- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the service providers whose improvement ranks in the top quartile and award the Star Performer rating to those service providers with:

- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

*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.*

## **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



## About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at [www.everestgrp.com](http://www.everestgrp.com).

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