



HfS Blueprint Report: Enterprise Analytics Services

Comparative analysis of analytics capabilities of outsourcing providers

Excerpt for Genpact

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Executive Summary



Introduction to the HfS Blueprint Report: Enterprise Analytics Services

- The Enterprise Analytics Services HfS Blueprint Report is the first study that applies the proprietary HfS Blueprint methodology in the analytics space. Unlike other quadrants and matrices, the HfS Blueprint identifies relevant differentials between service providers across numerous facets in two main categories: innovation and execution.
- HfS Blueprint Report ratings depend on a broad range of stakeholders with specific weightings based on 1,355 crowd-sourced responses. Stakeholders include:
 - 🌀 BPO Enterprise Buyers
 - 🌀 BPO Service Providers
 - 🌀 BPO Industry Influencers (sourcing advisors)
 - 🌀 HfS Analysts

Key Highlights

- **Key services and scope:** Analytics Services are set to grow definitively in scope for outsourcing providers. Analytics data preparation and management and routine reporting remain critical services today. However, we see a growing number of engagements that are leading with advanced analytics modeling, ongoing analytics support, and analytics consulting.
- **Client base:** The majority of engagements are scope expansions with existing IT-BPO clients, though a few providers are aggressively pursuing new logos for analytics specifically. They are using these high-value engagements to get a foot in the door, deliver results, and further penetrate with IT and BPO.
- **Provider strategies:** Providers are growing advanced analytics capabilities across major functional areas and select industry verticals based on overall company strategy.
- **Blueprint Winner's Circle:** Accenture, Genpact, IBM, Infosys and Wipro lead the Winner's Circle for Enterprise Analytics Services, bringing solid analytics execution and innovative vision to the analytics market.
- **Blueprint High Performers:** Capgemini, Cognizant, EXL, TCS and WNS are High Performers bringing scale, service, and/or vertical depth.
- **Client needs:** Clients are most concerned about the quality of analytics talent, industry expertise during solution design, and flexibility in their analytics engagements.

Research Methodology



Research Methodology

Data Summary

- More than 1,000 data points were collected from 250 live multi-process enterprise analytics contracts.
- Data was collected in Q2-Q3 of 2013, covering buyers, providers, and advisors/influencers of enterprise analytics services.

Participating Service Providers



This Report Is Based On:

- **Tales from the Trenches:** Interviews with buyers who have evaluated service providers and experienced their services. Some are supplied by service providers, but many are interviewed through interviews conducted with HfS Executive Council members and participants in our extensive market research.
- **Sell-Side Executive Briefings:** Structured discussions with service providers were intended to collect data necessary to evaluate their innovation, execution and market share, and deal counts.
- **HfS “State of Outsourcing” Survey:** The industry’s largest quantitative survey, conducted with the support of KPMG, covering the views, intentions, and dynamics of 1,355 buyers, providers, and influencers of outsourcing.
- **Publicly Available Information:** Financial data, website information, presentations given by senior executives, and other marketing collateral.

Key Factors Driving the HfS Blueprint

Evaluation Criteria

Two major factors:

- **Execution** represents service providers' ability to deliver services. It includes:
 - Solutions in the Real World
 - Quality of Customer Relationships
 - Flexibility
- **Innovation** represents service providers' ability to improve services. It includes:
 - Vision for End-to-End Process Lifecycle
 - Vision to Tailor Solution for Specific Industries
 - Leveraging External Drivers

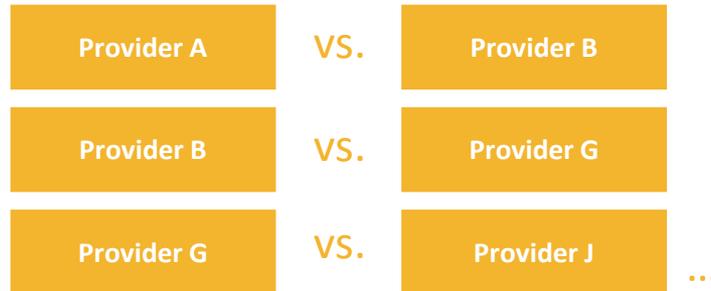
Criteria Weighting

Criteria are weighed by crowdsourcing weightings from the four groups that matter most:

- Enterprise Buyers (revenues >\$5B) (20%)
- Buyers (20%)
- Service Providers (30%)
- HfS Research Analysts Team (20%)
- Advisors, Consultants, and Industry Stakeholders (10%)

Weightings from this report come from HfS's January 2013 State of Outsourcing Study

How the HfS Blueprint Scores Are Compiled

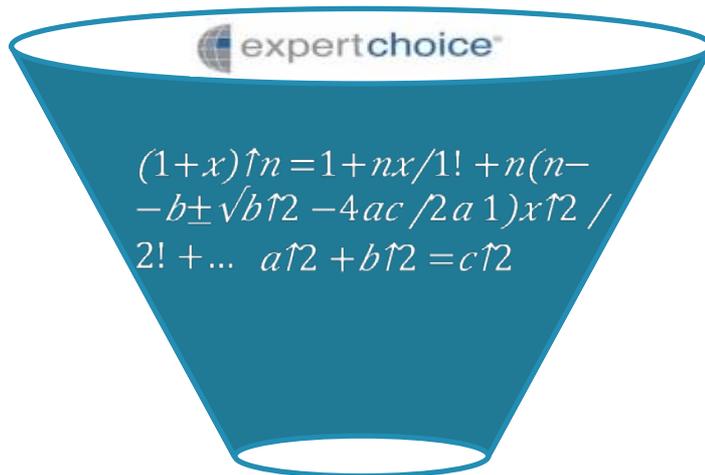


After providers respond to HfS's Blueprint RFI, and after client references and fact checking have been completed, HfS analysts conduct a paired comparisons survey of service providers in each evaluation category. This can be as many as 1,100+ unique provider comparisons.

Using ExpertChoice, an advanced statistical analytics platform, the data/rankings are compiled and compared across all provider comparisons to identify inconsistencies within the scores.

After further data refinement, the criteria weightings are used to give each service provider a score in each evaluation criterion component.

Once aggregation and scoring are complete, the service providers' scores are plotted, producing the HfS Blueprint.



HfS Blueprint Scoring Percentage Breakdown

EXECUTION		69.94%
Quality of Customer Relationships (Evaluating quality of account management team, client community development, and quality of customer feedback incorporation)		25.36%
Real-World Delivery Solutions		26.74%
Actual Delivery of Services for Each Sub-Process		11.22%
Analytics software and infrastructure design, implementation, maintenance, and management	1.76%	
Analytics data preparation and management	0.76%	
Routine reporting and dashboarding	0.97%	
Advanced analytics modeling and ongoing decision support	5.43%	
Analytics consulting	2.3%	
Geographic Footprint and Scale		6.95%
Experience Delivering Industry-Specific or Horizontal-Specific Analytics Solutions		8.57%
Flexible Pricing Models to Meet Customer Needs		17.84%
INNOVATION		30.06%
Vision for End-to-End Process Lifecycle		12.77%
Vision for Industry-Specific Solutions		10.06%
Ability to Leverage External Value Drivers (Evaluating the use of New Technology, Security, Social Media, Mobility, and Cloud Capabilities)		7.23%
TOTAL		100.00%

Execution Definitions

EXECUTION	How well does the provider execute on its contractual agreement, and how well does the provider manage the client/provider relationship?
Quality of Customer Relationships	How engaged are providers in managing the client relationship based on the following metrics: quality of account management, client engagement, and incorporation of feedback?
Quality of Account Management Team	What is the quality level of professional skills in the account management team?
How Service Providers Engage Customers and Develop Communities	How well does the service provider engage clients and develop client communities?
How Service Providers Incorporate Customer Feedback	How have service providers taken feedback and incorporated that feedback into their product/solution?
Real-World Delivery Solutions	Does the solution provided compare favorably to the service agreed upon when delivery of services for each sub-process and geographic footprint and scale is taken into account?
Actual Delivery of Services for Each Sub-Process	Taking into account each sub-process and the entire macro process, does each sub-process sum to successful delivery of the service being provided? For example, in the Finance and Accounting macro process of Order to Cash, are all sub-processes being delivered upon successfully?
Geographic Footprint and Scale	Specific to the category, to what degree do service providers have geographic locations that offer strategic value, and do they have scale?
Experience Delivering Industry-Specific or Horizontal-Specific Solutions	How well does the provider deliver industry-specific or horizontal-specific analytics solutions? For example, depth in verticals such as insurance, retail, or major processes such as Finance and Accounting, Supply Chain?
Flexible Pricing Models to Meet Customer Needs	How flexible are providers when determining pricing of contracts? Are they willing to make investments in the client's firm for long-term growth?

Innovation Definitions

INNOVATION	Innovation is the combination of improving services and business outcomes.
Vision for End-to-End Process Lifecycle	The strategy for delivery services to each part of the processes “value chain.” For example, in Finance and Accounting, the components of the value chain may include Order to Cash, Record to Report, and Procure to Pay. In Customer Relationship Management, the components may include outbound service, inbound service, quality, training, workforce management, call routing, self-service, and customer insights/analytics.
Vision for Industry-Specific Solutions	Does the provider have a vision for services specific to certain industries?
Ability to Leverage External Value Drivers	How well have providers integrated external value drivers into their services? Examples include cloud solutions, security enhancements, incorporation of regulatory changes, and use of new collaborative tools.

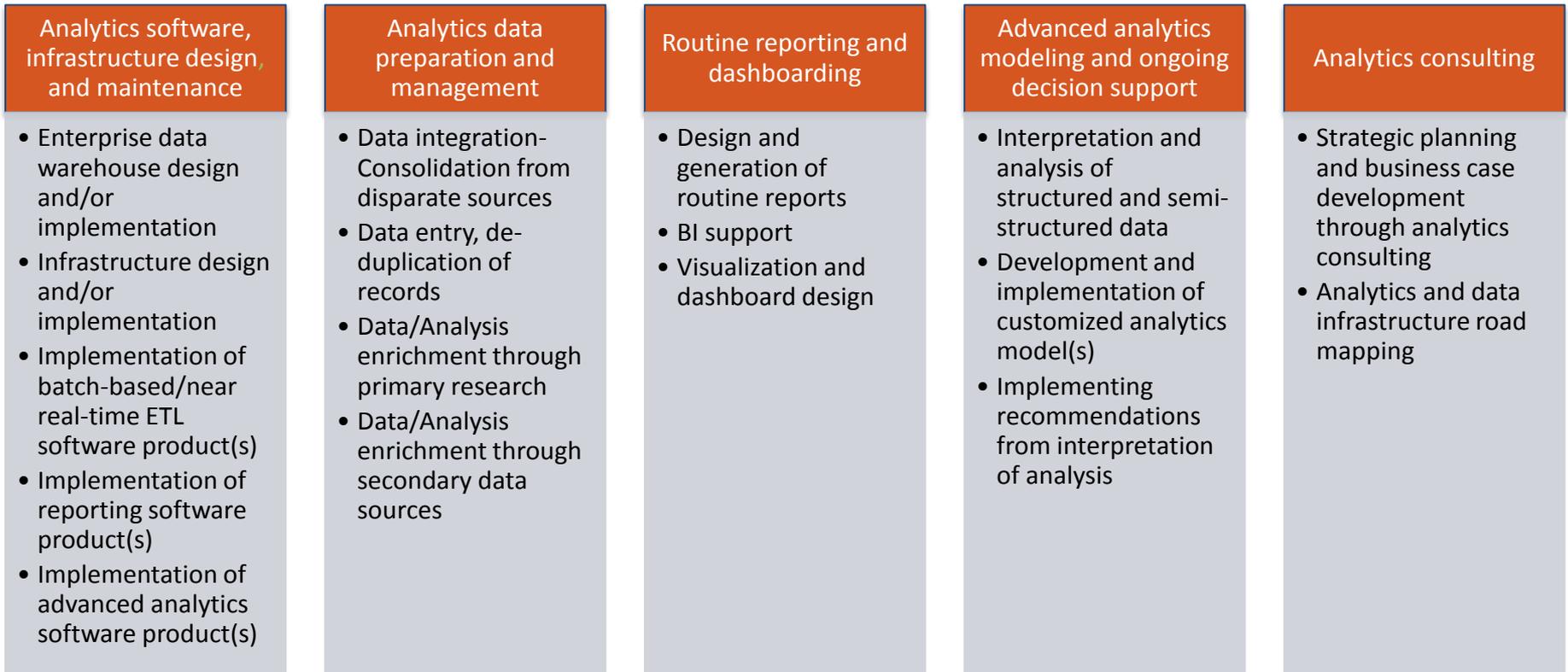
Market Considerations and Scope

The global analytics market is still nascent and evolving, with many products and services from various service provider groups. There are self-serve analytics tools, large-scale business intelligence (and other) platforms with embedded analytics, analytics portals, offerings involving emerging technologies, and so on. The providers range from data management companies, BI providers, and boutique analytics firms to market research companies, global service integrators, etc. The scope of this study includes:

- **Service providers:** We assess the full service analytics capabilities of key outsourcing providers. Even within this set, companies are pursuing different strategies for growing their analytics business. Some are evolving niche domain-specific analytics capabilities, some are focusing on analytics applicability within business processes typically outsourced (e.g., finance & accounting, customer relationship management), some are growing analytics consulting, others are looking at large-scale data preparation and reporting facilities, and still others are looking at various permutations of these strategies. Our provider set represents this diversity.
- **Service focus:** We exclude analytics products or technology offerings, and evaluate overall analytics service capabilities. We evaluate services up and down the analytics value chain, including certain processes that aren't 'analytics' per se, but are essential for analytics success, such as analytics data preparation and management.
- **Commercial models:** Outsourcing providers today provide analytics services through various engagement models. Some are embedded within platforms or other technology offerings, while others are given away as free add-ons where providers want to differentiate and demonstrate value-added IT-BPO services. For this study, our scope includes analytics services that have separately been contracted and sold (including IT-BPO scope expansions that are contracted for separately/have billable analytics resources).

Enterprise Analytics Service Definitions

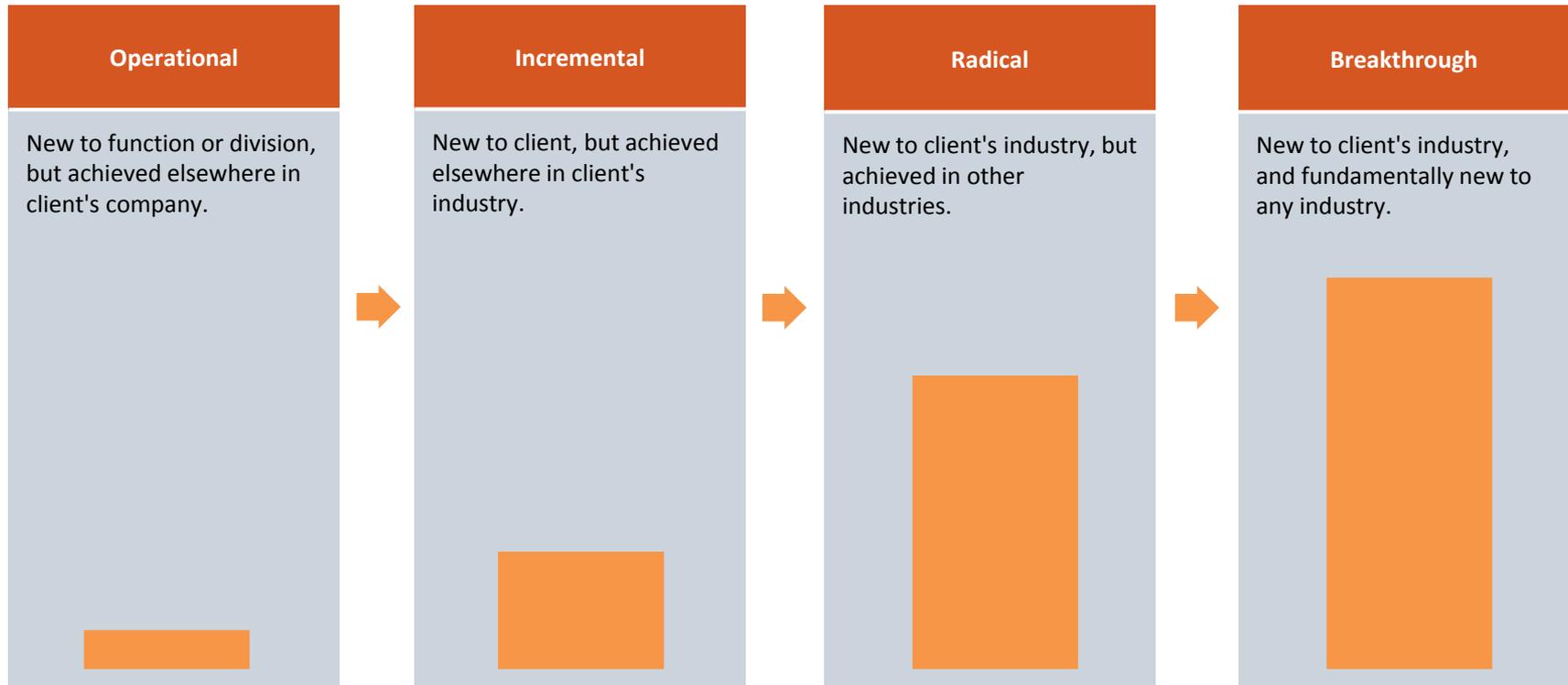
Analytics Value Chain



HfS Value Chain Definition:
Value chain refers to the series of departments that carry out value-creating activities to design, produce, market, deliver, and support a company's product or service. In this usage, we refer to the range of primary processes and support services that providers offer to their clients.

Definitions of Types of Innovation Used to Transform Analytics Initiatives

Innovation Value Chain



Winner's Circle and High Performers Methodology

To distinguish service providers that have gone above and beyond within a particular line of delivery, HfS awards these providers a “Winner’s Circle” or “High Performer” designation, explained below.

We want to reiterate that the enterprise analytics services market is still nascent with many of the service provider models still emerging. As this is our first Blueprint in this space, we highlight the market leaders that have developed full service analytics capabilities, demonstrating scale and service depth across the value chain.

Our analysis reveals no true market ‘laggards’ for analytics, as we see expertise for one or more service categories from many providers.

Winner's Circle: Service providers that demonstrate excellence in execution and innovation and that have widely adopted a full process vision for analytics within their operations.

- From an execution perspective, service providers have developed strong relationships with clients, execute services beyond the scope of hitting green lights, and are highly flexible when meeting clients’ needs.
- From an innovation perspective, providers have a strong vision, concrete plans to invest in future capabilities, and a healthy cross-section of vertical capabilities, and have illustrated a strong ability to leverage external drivers to increase value for their clients.

Winner's Circle and High Performers Methodology (cont'd.)

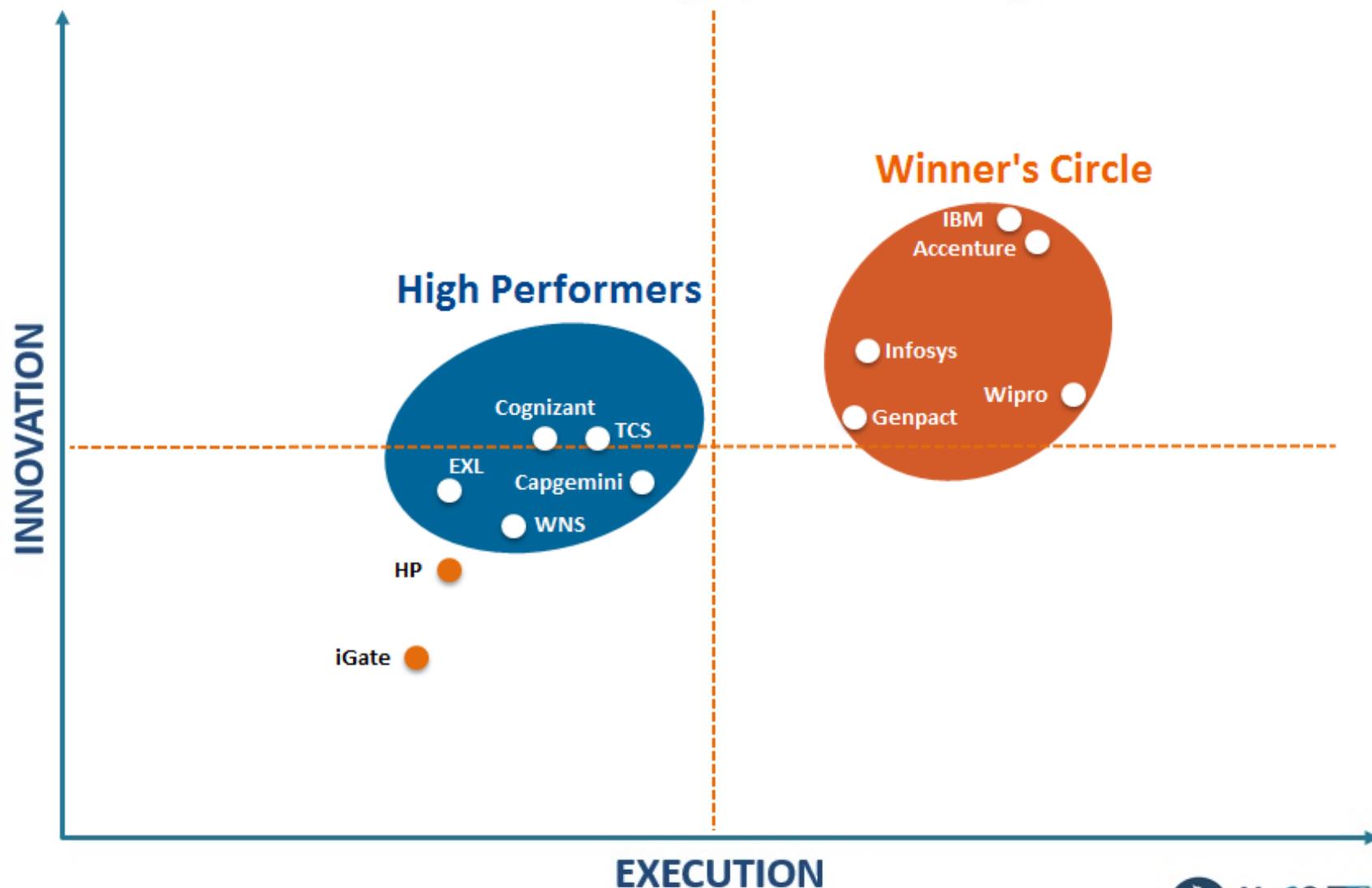
High Performers: Service providers that demonstrate strong capabilities in both execution and innovation but have yet to demonstrate a broadly adopted end-to-end process vision for analytics services.

- From an execution perspective, providers execute some of the following areas with excellence but not all areas: High performers have developed worthwhile relationships with clients, execute their services and hit all of the green lights, and are very flexible when meeting clients' needs.
- From an innovation perspective, providers typically execute some of the following areas with excellence, but not all areas: have a vision and demonstrated plans to invest in future capabilities, have experience delivering services over multiple vertical capabilities, and have illustrated the ability to leverage external drivers to increase value for their clients.

Service Provider Capabilities



Enterprise Analytics Services By Outsourcing Providers, 2013



Future of the Enterprise Analytics Services Market

- **Talent will ultimately be the key to differentiation.** The most satisfied buyers in our research spoke to the high quality of analytics talent they accessed through their providers. Onshore support, business context, and prior industry experience will make all the difference between good and great analytics providers in the near future.
- **Leveraging emerging technologies will pay off.** Buyers are looking externally for expertise in new technologies for analytics. Providers that invest in integrating services with new technologies will earn thought leadership. Opportunities include modern data mining, data visualization, industry-unique predictive modeling tools, mobile dashboarding, and strategies for leveraging big data.
- **Leading with a business perspective will drive value chain adoption.** The bulk of work outsourced in this space continues to be in the realm of data preparedness and routine reporting. For advanced analytics and decision support to proliferate, the conversations must shift from the CIO's office to business leaders, from costs to business outcomes. Winning providers will encourage brainstorming sessions and regular senior leadership and SME interactions with clients to drive high value creation. The majority of buyers still seek help with more foundational areas, but the scope for high-value analytics will continue to expand as operating models mature.
- **Service providers must bring cross-industry lessons to succeed.** Buyers look for analytics expertise from providers that have prior experience and increasingly industry vertical experience. Providers are accordingly developing CoEs and aligning solution sets by verticals. Our conversations with buyers reveal that they are now also looking to providers to bring best-of-breed innovations from across industries that may have shared applicability. We see functional areas as equally important service areas for analytics, and foresee innovative analytics implementations through cross-industrial partnerships.

Service Provider Profile



Category: 'KPO' Analytics Specialist	Strengths	Challenges
<p>Blueprint Leading Highlights</p> <ul style="list-style-type: none"> • Strong Delivery of Routine Reporting and Dashboarding • Strong Delivery of Advanced Analytics Modeling and Ongoing Decision Support • Experience Delivering Industry-Specific Solutions • Vision for Industry-Specific Solutions • Vision for End-to-End Process Lifecycle • Quality of Customer Relationships 	<ul style="list-style-type: none"> • Genpact has significant experience in running analytics, starting 15 years ago to oversee complex modeling for conglomerate parent GE (and subsequently expanding to other clients). Today, the provider has developed scale across a range of services in the analytics value chain, from data enablement to core research and analytics services such as Market & Business Research, Social Media Solutions, Statistical Analysis, Complex Optimization, Forecasting, and Predictive Modeling. • Genpact's sales and marketing analytics is a key strength, accounting for almost half the business today across different industry verticals. • Broad-based capability growth through acquisitions such as Axis (2007) for risk consulting, Symphony Marketing Solutions (2010) for sales and marketing analytics in CPG & retail, and EmPower Research (2011) for social media analytics, media monitoring and measurement. • Genpact's Smart Decision Lab has been conceptualized with a strong focus on leveraging the use of data and analytics alongside process expertise. The lab is helping several strategic clients make smarter decisions by exploiting analytics applicability in multiple business areas. • Clients appreciated Genpact's approach to engagements from the get-go as more of a partnership than client-vendor driven. 	<ul style="list-style-type: none"> • Genpact comes with analytics services expertise, and has invested in technology enablers through organic and inorganic means. We see analytics road mapping and consulting as an area where Genpact is comparatively weak. The provider is growing this capability through its Smart Decision Labs, but currently, there is a gap. • Clients mentioned that while the provider has end-to-end process-level views and innovations, they need to improve on higher-level analytics strategy development. • Genpact must maintain its investments in more analytical tools and platforms that will deliver more value to clients. This will become critical as competition intensifies in innovative analytics delivery. • The majority of Genpact's analytics delivery capabilities are in India. Although onshore capabilities are being aggressively expanded, it is a challenge for the provider today. • Recruiting and retaining analytics specialists to grow this practice is the key challenge. The messaging of why join and stay at Genpact must be clear.

Industry Verticals	Key Clients	Global Operations Centers	Technology Offered
<ul style="list-style-type: none"> • Banking & Financial Services • Insurance • Retail & Consumer Products • Industrial & Manufacturing • Pharma & Life Sciences 	<ul style="list-style-type: none"> • GE (Consumer and Commercial Finance arms, Industrial, Healthcare and NBC), Information Resources Inc. (IRI), GlaxoSmithKline, Bluestem, Wells Fargo, National Australia Bank, Penske, Nissan, Ceridian, Symantec, AstraZeneca, Westpac, Bawag Bank, Mashreq, Telefonica, Ebay, SabMiller, Kimberley Clark, Walgreens, and Johnson Controls 	<ul style="list-style-type: none"> • Headcount: 6,000+ • Locations: India (Bangalore, Gurgaon, Hyderabad, Kolkata), US (Dallas), and China (Dalian) 	<ul style="list-style-type: none"> • Support and execution across all major analytics and BI technology platforms. • Proprietary tools: Genpact Inventory Optimizer, Genpact Sales Performance Management, Genpact media Interactive, and Genpact Text Miner

About the Author



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Reetika Joshi is a Research Director at HfS Research. She currently tracks the outsourcing industry, with a special research focus on the BPO and Analytics services markets. She regularly contributes to HfS' research content in the form of reports, rapid insights and blog posts. She also supports custom research and strategy projects; analyzing data, supporting client inquiry, conducting regular discussions and briefings with both buyers and providers, providing consultative, analytical and expert support to HfS clients.

Prior to HfS, Reetika spent three years working with the sourcing research wing of business research and consulting firm ValueNotes. Her last profile as Project Manager encompassed a range of responsibilities including research product design and development (reports, models, etc. for the outsourcing community), managing custom research engagements, developing thought leadership through targeted content and community interaction, and supporting the business development team.

Based in Pune, India, Reetika has undertaken several research assignments across the outsourcing spectrum, including market studies in niche BPO and KPO areas such as analytics, medical transcription, market research and e-learning. She has served clients through multiple bespoke research engagements, including in-depth competitive intelligence studies, market and investment opportunity assessments, demand-side surveys and marketing communication optimization for outsourcing buyers, providers, consultants and investors. Her work has appeared in many industry-relevant publications and websites, including Outsourcing magazine, Global Services Media and the Horses for Sources blog. She has presented her views on the state of outsourcing at various conferences.

About HfS Research

HfS Research (www.HfSResearch.com) is the leading global analyst authority and knowledge community addressing the outcomes of business process strategies and their technology enablement.

HfS serves the research and strategy needs of business operations leaders across finance, supply chain, human resources, marketing, customer management, IT and core industry functions and provides detailed coverage of the various areas that impact business outcomes, namely business process and IT outsourcing, global business services, mobility, analytics and social collaboration strategies. HfS' acclaimed crowdsourced Blueprint Methodology™ is applied to evaluate the performance of service providers in terms of innovation and executing.

In addition, HfS educates and facilitates discussion among the world's largest knowledge community of enterprise services professionals, currently comprising 140,000 subscribers. HfS Research facilitates the [HfS Sourcing Executive Council](#), the acclaimed elite group of sourcing practitioners from leading organizations, which meets on a bi-annual basis to share the future direction of the global services industry and discuss the future enterprise operations framework. HfS provides its enterprises with the HfS Governance Academy and Certification program to help its clients improve the governance of their global business services and vendor relationships.

In 2013, HfS was named #1 in rising influence among leading analyst firms according to the 2013 Analyst Value Survey. In 2010 & 2011, HfS was awarded Analyst of the Year by the International Institute of Analyst Relations (IIAR), the premier body of analyst-facing professionals, and achieved the distinctive award of being voted the research analyst industry's most Innovative Analyst Firm in 2012.

Now in its seventh year of publication, HfS Research's acclaimed blog "[Horses for Sources](#)" is widely recognized as the leading destination for unfettered collective insight, research and open debate of sourcing industry issues and developments.

To learn more about HfS Research, please email research@HfSResearch.com.