Analytics Business Process Services (BPS) – Service Provider Landscape with PEAK Matrix™ Assessment 2017

Focus on Genpact
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Scope of the study

This study focuses on the BPS aspect of an analytics solution

ILLUSTRATIVE

Focus of this study

Analytics solution

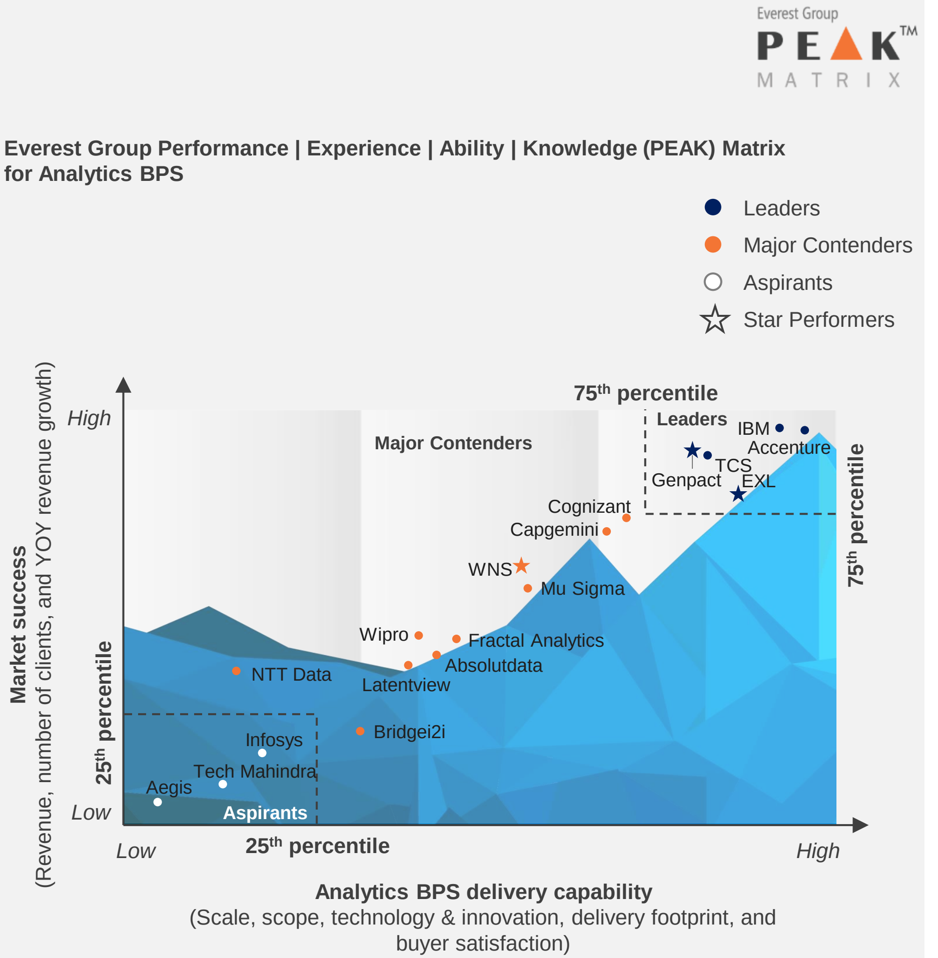
- **Analytics technology**
  - Provides core technology systems to run analytics
  - EMC², IBM SPSS, sas
- **Analytics services**
  - **Analytics IT services**
    - Provides Application Development & Management (ADM) of analytics technology systems
    - accenture (High performance. Delivered.), Cognizant, Hewlett Packard Enterprise, IBM
  - **Analytics BPS**
    - Provides analytics-focused business process services
    - **Broad-based BPO providers**
      - accenture (High performance. Delivered.), EXL, GENPACT, Hewlett Packard Enterprise, IBM, Infosys, TATA CONSULTANCY SERVICES
    - **Specialists**
      - absolutdata (Intelligent Analytics), CHAINalytics, dunnhumby, Fractal, LatentView, Mu Sigma (DO THE MATH), OPERA

Summary of key messages (page 1 of 2)

Everest Group PEAK Matrix for analytics BPS

- Analytics BPS service providers can be divided into two categories – analytics specialists and generic BPS players
- Everest Group classified 18 analytics BPS service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into three categories of Leaders, Major Contenders, and Aspirants
- The 2017 analytics BPS PEAK Matrix positioning is as follows:
  - Leaders: Accenture, EXL, Genpact, IBM, and TCS
  - Major Contenders: Absolutdata, Bridgei2i, Capgemini, Cognizant, Fractal Analytics, Latentview, Mu Sigma, NTT Data, Wipro, and WNS
  - Aspirants: Aegis, Infosys, and Tech Mahindra
- Based on the relative YOY movement of each service provider, Everest Group identified three service providers as the "**2017 Analytics BPS Star Performers**" – EXL, Genpact, and WNS
- With the market witnessing a pragmatic shift from demand for piece-meal solutions to end-to-end enterprise-wide solutions, larger BPO firms having broader analytics capabilities are making the most out of this opportunity. Specialists, on the other hand, need to ensure they can continuously innovate and offer unique solutions to their clients in order to stay competitive in the market

Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for Analytics BPS



Summary of key messages (page 2 of 2)

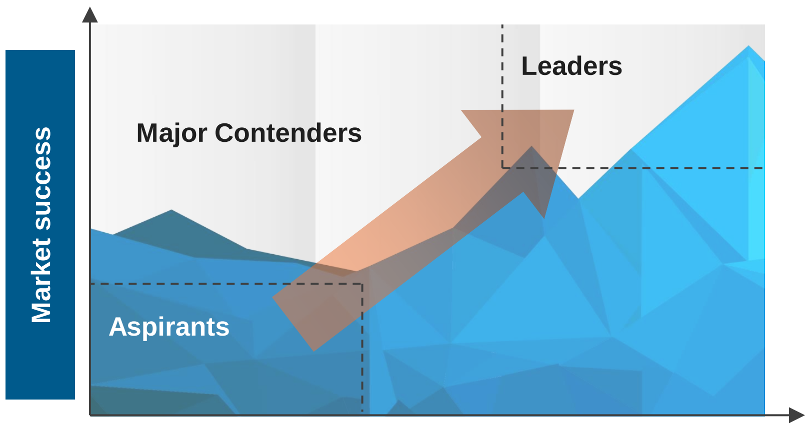
Key insights on analytics BPS market shares

- Accenture, Genpact, IBM, and TCS are the leading analytics BPS service providers by revenue share. All four have a strong foothold across most geographies and industries
- North America continues to be the largest buyer geography for analytics BPS by revenue, followed by United Kingdom and Europe. Asia Pacific, while clocking high growth, is relatively small. However, countries such as China, Australia, and Japan are experiencing high demand for analytics in the region
- Many global providers focus primarily on the North American market, given the strong demand in the region. On the other hand, many regional providers have propped up in the European and the Asia Pacific market
- Accenture, Genpact, IBM, and TCS are among the largest players in leading industries such as manufacturing, BFSI, CPG & retail, and telecom
- Traditionally, analytics specialists have been focused on one or two key buyer industries. However, given the rising competition and to protect their market share, they are gradually expanding their presence in the other industries as well

Service providers are positioned on the Everest Group PEAK Matrix based on the evaluation of two key dimensions

Everest Group PEAK™ MATRIX

Measures success achieved in the market. Captured through analytics BPS revenue, number of current analytics BPS clients, and YOY growth



Delivery capability

Measures ability to deliver services successfully and is captured through five subdimensions

Scale

Measures the scale of operations through:
- Firm-wide revenue
- Contribution of analytics BPS revenue to firm-wide revenue

Scope

Measures the scope of services provided through:
- Geographic scope
- Industry coverage
- Process coverage
- Function expertise

Technology solutions & innovation

Measures the capability and investment in technology through:
- Capability in analytics-related technology
- Innovation in offerings via advanced analytics, machine learning, and IoT

Delivery footprint

Measures the global sourcing mix through:
- Delivery footprint across six regions[1]
- Balanced shoring capability

Buyer satisfaction

Measures the satisfaction levels[2] of buyers across:
- Goal realization
- Process delivery
- Implementation
- Relationship management
- Proactiveness
- Innovation

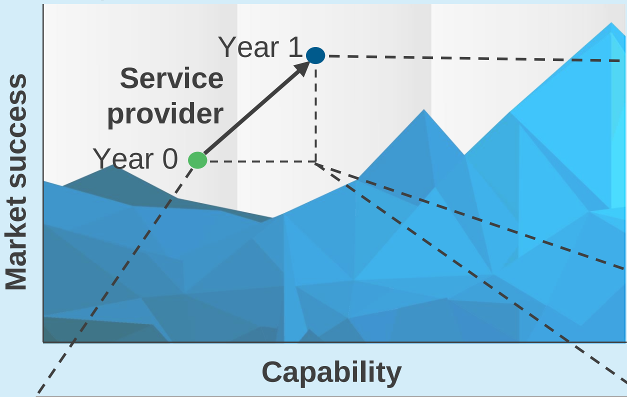
1 Asia Pacific, Continental Europe, North America, Latin America, Middle East & Africa, and United Kingdom
2 Measured through responses from two/three referenced buyers for each service provider

Additionally, Everest Group confers the "Star Performer" title on the providers that demonstrate the strongest forward movement over time on the PEAK Matrix

Everest Group PEAK™ MATRIX

Methodology

Everest Group selects Star Performers based on the relative YOY movement of each service provider on the PEAK Matrix



In order to assess advancements on market success, we evaluate the performance of each service provider on the PEAK Matrix across a number of parameters including:

- Yearly revenue growth
- Number of new clients added

In order to assess advancements on capability, we evaluate the performance of each service provider on the PEAK Matrix across a number of parameters including:

- Annual growth in scale
- Increase in scope of services
- Expansion of delivery footprint
- Technology- / domain-specific investments

The top quartile performers on each of the specified parameters are identified and the "Star Performer" rating is awarded to the service providers with:

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

2017 Analytics BPS Star Performers

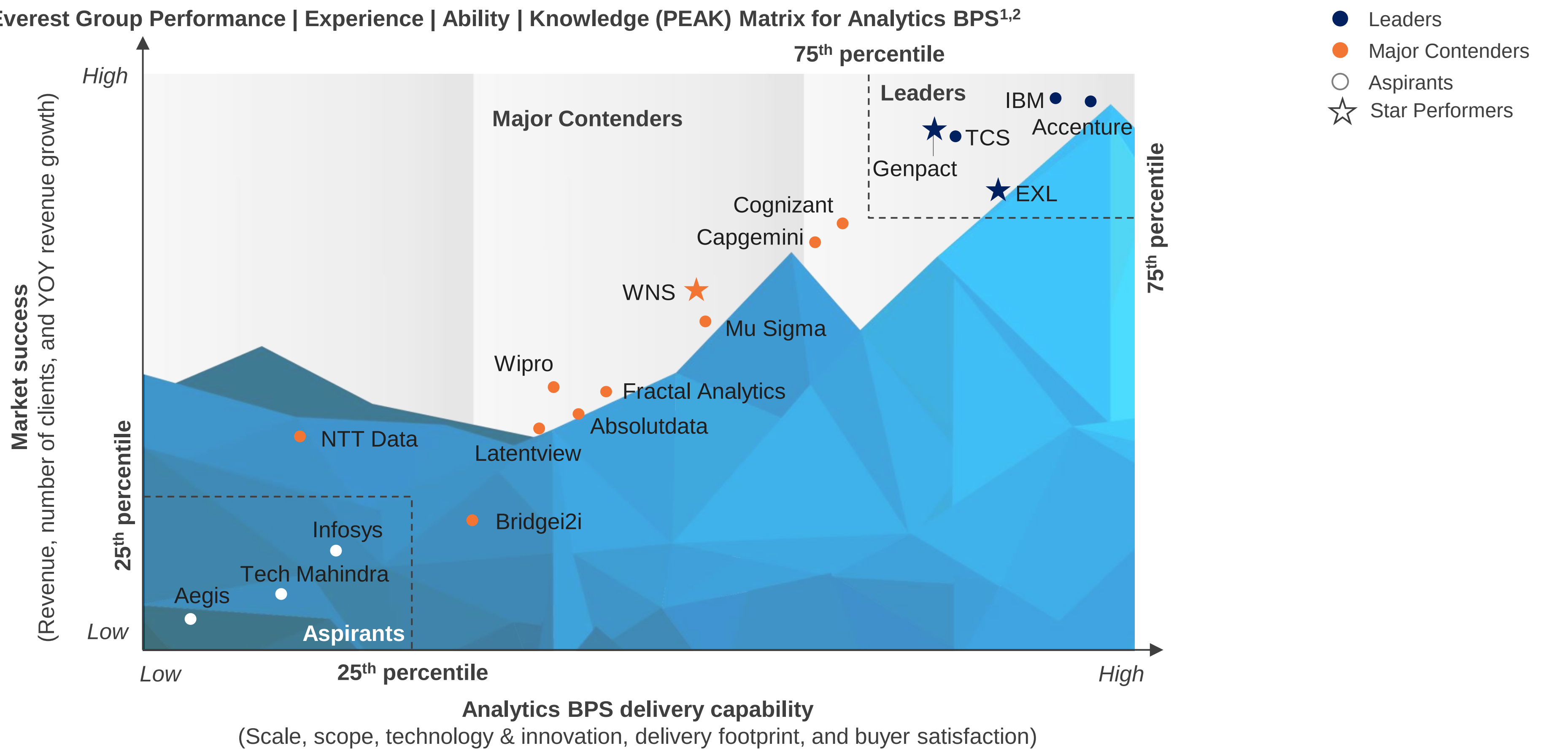
The "Star Performers" title relates to YOY performance for a given service provider and does not reflect the overall market leadership position. Those identified as "Star Performers" may include "Leaders", "Major Contenders", or "Aspirants."

Aegis and NTT Data were not accounted for in the Star Performer analysis due to their non-participation in the PEAK Matrix analysis in 2016.

Everest Group PEAK Matrix – 2017 Analytics BPS market standings

Performance | Experience | Ability | Knowledge

Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for Analytics BPS[1,2]



1 Service providers scored using Everest Group's proprietary scoring methodology given on page 15
2 Assessment for **Absolutdata, Latentview,** and **Mu Sigma** excludes service provider inputs on this particular study, and is based on Everest Group's estimates which leverage Everest Group's proprietary Transaction Intelligence (TI) database, service providers' ongoing coverage & public disclosures, and interaction with buyers

Source: Everest Group (2017)

Assessment of analytics BPS service providers' market success and delivery capabilities (page 1 of 3)

Leaders

Measure of capability: Best-in-class, Very high, High, Medium high, Medium, Medium low, Low, Not mature

Service provider	Delivery capability						Market success
	Scale	Scope	Technology solutions & innovation	Delivery footprint	Buyer satisfaction[1]	Overall	
Accenture	High	Best-in-class	Best-in-class	Best-in-class	Very high	Best-in-class	Best-in-class
EXL	High	High	Best-in-class	Very high	Best-in-class	Very high	High
Genpact	High	Very high	Very high	Medium high	Very high	Very high	Very high
IBM	Medium high	Best-in-class	Best-in-class	Best-in-class	High	Very high	Best-in-class
TCS	High	Best-in-class	Very high	Medium	Very high	Very high	Very high

1 Buyer satisfaction score and overall PEAK Matrix positioning was adversely impacted for those service providers who did not provide adequate information

Note: For a detailed service provider profile, please refer to the forthcoming report: Analytics BPS – Service Provider Profile Compendium 2017

Analytics BPS Star Performers

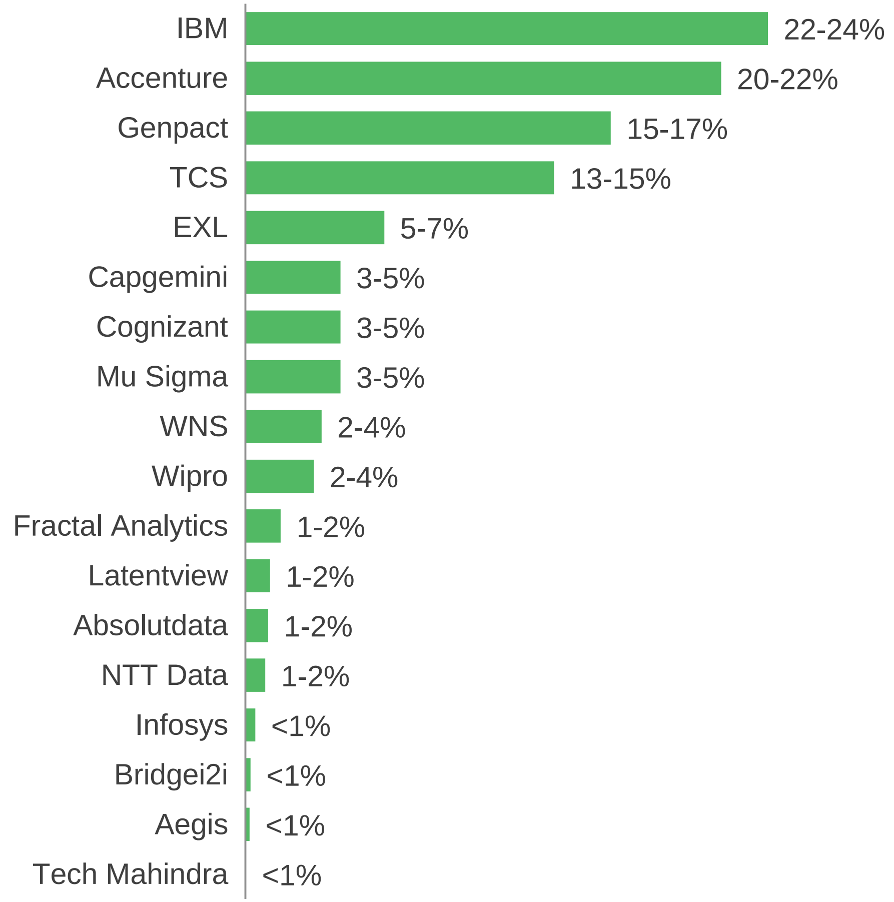
Distinguishing features

Analytics BPS Star Performers 2017	Distinguishing features of 2016 market success	Distinguishing features of 2016 capability advancement
EXL	• Continuing its impressive growth run from last year, EXL managed to grow in excess of 20 percent in 2016 which came from addition of new clients as well as expansion in scope of work with its existing clients	• It has made several investments in areas such as domain specific solutions, proprietary data products, automation capabilities, as well as collaborated with other analytics firms and academic institutes to develop talent as well as enhance its knowledge and expertise in the area • Broadening the scope of its work, EXL expanded the breadth of its services to cover more industries. It also acquired IQR Consulting and Datasource Consulting to enhance its capabilities further
GENPACT	• Genpact managed to increase its client count by 10-12% in 2015-2016, which along with the scope expansion in existing accounts, contributed significantly to the overall growth of Analytics BPS revenue	• Pushing its digital capabilities including analytics, Genpact has made several acquisitions in the last 12 months such as that of Endeavour Technologies and PNMSoft, as well as developed solutions in-house specific to advanced analytics • Genpact has also broadened the scope of its analytics business, expanding in industries such as media, travel & hospitality, and energy & utilities. Also, it is gradually upping the focus on predictive and prescriptive analytics
WNS Extending Your Enterprise	• WNS secured several new client logos in the last 12-18 months which allowed it to report an appreciable revenue growth of 10-15%	• WNS has enhanced its technology capabilities and invested in solutions (third party and proprietary) to sharpen its advanced analytics capabilities. It also acquired Value Edge Research Services to penetrate the healthcare market further • Through advanced analytics delivery, as well as use of automation and other emerging technologies it managed to driver higher buyer satisfaction in the market

Source: Everest Group (2017)

BPO service providers such as IBM, Accenture, Genpact, and TCS dominate the analytics BPS landscape; among analytics specialists Mu Sigma is the largest provider

2016 analytics BPS service provider revenue
Percentage revenue



- IBM and Accenture lead the pack with their plethora of analytics tools and solutions and a global delivery base. They have also successfully managed to maintain or increase their market share by making substantial investments not only to expand their client base, but also the scope of their existing relations
- Genpact and TCS are the other players having substantial market share
- Mu Sigma is the largest analytics specialist. Other specialists such as Fractal Analytics, Latentview, and Absolutdata have comparable revenue

Note Percentage shares based on the representative set of service providers included in the scope of this study
Source: Everest Group (2017)

Genpact
Everest Group assessment

Measure of capability: Best-in-class | Very high | High | Medium high | Medium | Medium low | Low | Not mature

Leaders | Major Contenders | Aspirants

Delivery capability						Market success
Scale	Scope	Technology and innovation	Delivery footprint	Buyer satisfaction	Overall	

Strengths

- Genpact is a U.S.-based IT+BPO provider that offers stand-alone and embedded analytics services to its clients. It has a team of over 7,000 analytics FTEs serving 200+ analytics clients globally
- It is targeting only select areas within the analytics market where it has a higher degree of expertise from its broader BPO engagements. This has allowed it to have a greater focus within its analytics BPS business, as well as maintain a better quality of output for its clients
- A higher proportion of annuity-based revenue ensures a more stable revenue inflow compared to its competitors as well as better talent management and planning
- To expand its capabilities, not only has it made internal investments, but has also partnered with other firms as well as academic institutes in areas such as advance analytics, machine learning, cognitive computing, and IoT
- Its flexibility and responsiveness have been cited as its key strengths by the buyers

Areas of improvement

- Genpact's business is concentrated mostly in North America. Expanding into other markets such as Asia and Europe, where it has broader BPO clients, can help it become a truly global player
- While Genpact has some presence in onshore locations, given the size of its operations in North America, it can consider building more scale in the region to help serve clients better, as well as acquire new business
- To achieve higher margins and drive growth in the future, it can consider giving priority to advanced analytics and building capabilities to meet client demands
- Notwithstanding high buyer satisfaction, a few areas that can be improved upon include overcoming communication barrier due to culture and timeliness of billing to clients

Source: Everest Group (2017)

Everest Group RESEARCH

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