HFS Pega Service Providers Top 10 2021

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Excerpt for HCL

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Pega is emerging as one of the central ecosystems accelerating clients' journeys toward the OneOffice. It offers clients an alternative approach to customer experience and process automation. By evolving from its heritage in business process management and case management, Pega helps customers overcome the traditional front-office and back-office silos. Its stance of a "center-out" architecture suggests starting neither with the channel nor with systems of record but with customers' "micro journeys" enhanced by real-time decision support.

Khalda DeSouza, Research Fellow–IT Services
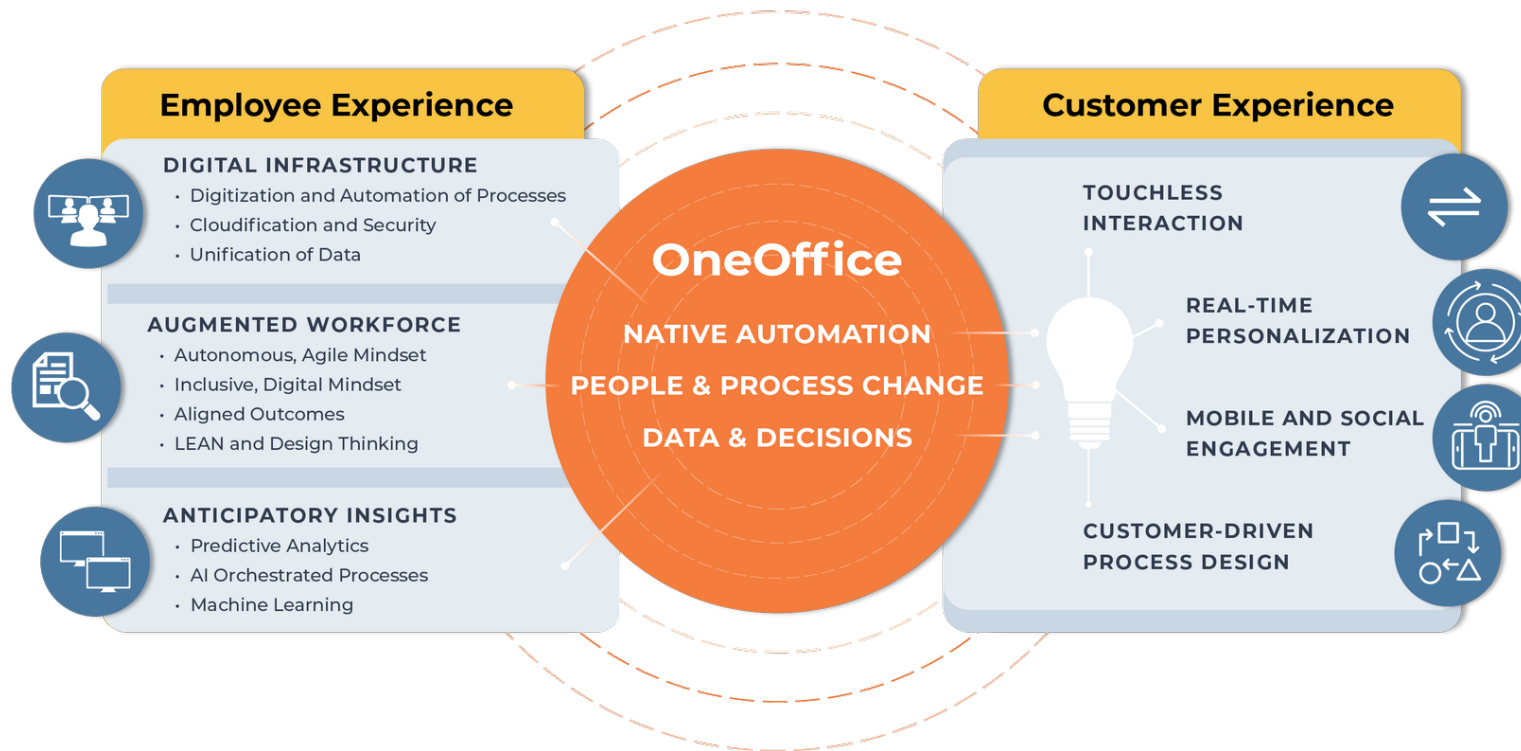
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Introduction, definitions, and research methodology

Introduction

- The inaugural HFS Pega Services Top 10 2021 report assesses the dynamics across the emerging Pega ecosystem. Pega targets customer engagement and operational excellence. Its core Pega platform is a suite of applications for customer relationship management, digital process automation, and business process management.

- The HFS Pega Services Top 10 2021 report examines 12 service providers across a defined series of innovation, execution, and voice of the customer criteria. The report highlights the overall rankings for all participants and the leaders for each sub-category. It focuses on ongoing third-party services as defined by our Pega services value chain.

- This report also includes detailed profiles of each service provider, outlining their overall and sub-category rankings, provider facts, and detailed strength and development opportunities.

- We based this Top 10 research on interviews with 34 enterprise services clients from the Global 2000, in which we asked specific questions about the innovation and execution performance of the service providers we assessed. We augmented the research with information collected in Q3 2021 through provider RFIs, structured briefings, networking events, and publicly available information sources.

HFS OneOffice™ organization is enabled by emerging technologies

The OneOffice™ is HFS' vision for the digitally transformed enterprise. Emerging technologies help organizations break down their front-, middle-, and back-office silos to mature into one integrated system to enable employees, delight customers, and deliver on its purpose. Our ability to make emerging technologies native elements of enterprise business architecture is a prerequisite for digital transformation and the OneOffice.

Employee Experience

DIGITAL INFRASTRUCTURE
- Digitization and Automation of Processes
- Cloudification and Security
- Unification of Data

AUGMENTED WORKFORCE
- Autonomous, Agile Mindset
- Inclusive, Digital Mindset
- Aligned Outcomes
- LEAN and Design Thinking

ANTICIPATORY INSIGHTS
- Predictive Analytics
- AI Orchestrated Processes
- Machine Learning

OneOffice

NATIVE AUTOMATION

PEOPLE & PROCESS CHANGE

DATA & DECISIONS

Customer Experience

TOUCHLESS INTERACTION

REAL-TIME PERSONALIZATION

MOBILE AND SOCIAL ENGAGEMENT

CUSTOMER-DRIVEN PROCESS DESIGN

Source: HFS Research, 2021

HFS Pega services value chain

The HFS Pega Services Top 10 2021 report assessed 12 service providers' ability to deliver Pega services as mapped to the value chain.

| Plan	Implement	Manage	Optimize
• Cloud services consulting • Compliance, risk management, governance, and security consulting • Digital transformation workshops • Customer relationship management strategy consulting • Case management consulting • Low-code and no-code development consulting • Process improvements and automation consulting • Pegasystems deployment consulting • Change management consulting • Medium-term to long-term Pegasystems roadmap consulting services • Center of excellence consulting	• Project management • Data migration • Low-code and no-code development services to comply with industry, geographic, or other business requirements • Integration services • Testing • Initial user training • Technical change management execution • Organizational change management execution • Center of excellence implementation • Proactive consulting and advisory services sharing best practice	• Application management services • Governance management • Upgrade support • Pegasystems help desk • Ongoing integration, testing, training • Ongoing proactive advice sharing best practice • Ongoing employee adoption support • Identification of any required changes in Pegasystems or process to account for changing business requirements, e.g., M&A, divestment, or new investments in IT	• New Pegasystems offerings value identification and benefit analysis • Ongoing Pegasystems module adds and upgrades, migration, and consolidation • Ongoing process and CRM strategy and system alignment • Process and CRM analytics and measurement • Medium-term to long-term Pegasystems roadmap advisory services

Research methodology

The HFS Pega Services Top 10 2021 report assesses and scores service provider participants across execution, innovation, and voice of the customer criteria. The inputs to this process included a detailed RFI process we conducted with 12 service providers, briefings with leaders of the Pega Services within service providers, and reference calls and surveys of reference clients.

33%   33%   33%
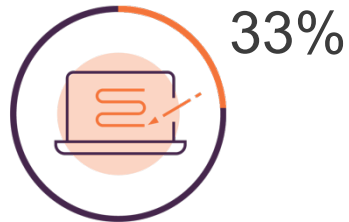
Execution

- **Scale:** Pegasystems services overall headcount, certified resource numbers, skills to support transformations
- **Market experience and growth:** Client numbers, client number growth, and revenue growth
- **Breadth of services and geographic capabilities:** Value chain coverage and depth, geographical capabilities and experience in delivering Pegasystems services, and relevant acquisitions and partnerships
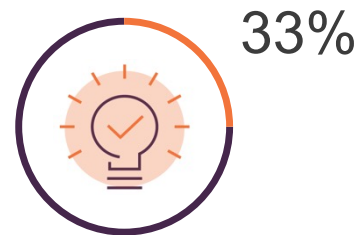
Innovation

- **Differentiated offerings:** Differentiated service offerings, differentiated IP, industry sector solutions
- **Ability to deliver business transformation:** Adoption of a holistic view and consultative approach to support customers' transformation journeys and long-term business value
- **Vision and roadmap:** Hypothesis on market development and opportunities. Investments and objectives to enhance Pegasystems offerings in the next one to three years, in line with perceived market development
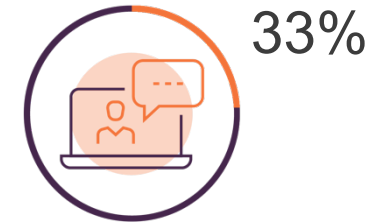
Voice of the customer

- **Direct feedback from service provider clients:** From reference checks, surveys, and case studies critiquing provider performance and capabilities

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Pega service providers covered in this report

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Executive summary

Executive summary

1   **OneOffice alignment**

Pega is becoming a critical enabler for operationalizing the OneOffice. It focuses on supporting real-time decisioning, and providing the execution of those decisions is central to delivering customer experiences. Pega is evolving from its heritage in business process management (BPM) and case management to provide customers with an ecosystem overcoming the traditional front-office and back-office silos.

2   **Moving beyond front office**

A journey with Pega no longer necessarily begins with BPM or case management. The entry point and context can be broader customer experience, hyper-personalization, and process automation. Pega's stance of a "center-out" architecture suggests starting neither with the channel nor with systems of record but with customers' "micro journeys" enhanced by real-time decision support. This is the logical evolution from its BPM sweet spot of case management.

3   **Where the magic happens**

The wheat gets separated from the chaff when providers drive transformational projects by integrating Pega into broader ecosystems such as Adobe and hyperscalers. Compelling vertical playbooks provide further evidence where the leading providers achieve distinct differentiation.

4   **The winners**

We assessed 12 service providers across execution, innovation, and voice of the customer criteria. The top five leaders are 1. Accenture, 2. Cognizant, 3. Virtusa, 4. TCS, and 5. HCL. These leaders' shared characteristics include enabling broader transformations, clear value propositions for the power of AND rather than piecemeal tech, excellence in internal IP development, deep and ever-evolving third-party partnerships, and the ability to deliver business outcomes.

5   **Voice of the customer**

Customers praised Cognizant for delivering on the business outcomes, while HCL, TCS, and Tech Mahindra got strong feedback on the strength of the domain expertise next to their Pega-specific capabilities. Many of the engagements are based on existing long-term relationships with Pega rather than new logo wins.
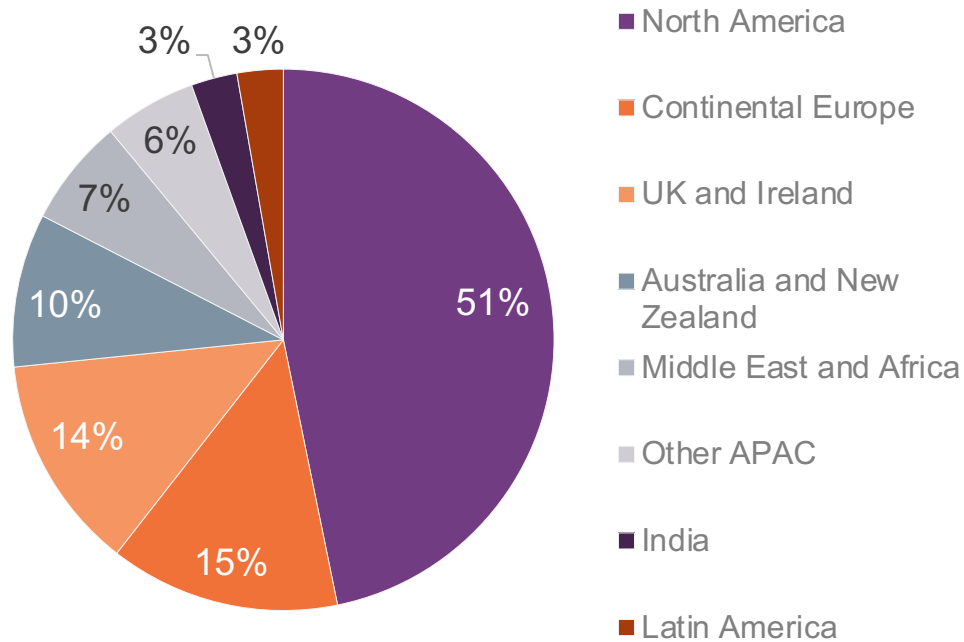
Pega services market snapshot

This table reflects the data collected and estimates for the 12 service providers included in this report.

Number of certified Pega consultants	12,284+
Number of Pega certifications	22,600+
Total number of Pega clients	1,763+
Average growth in Pega services in the past 12 months	21.7%
Average expected growth in Pega services in the next 12 months	23.6%
Top three industries in Pega services	1. Banking and financial services 2. Healthcare and life sciences 3. Insurance

Aggregate responses of service providers in this Top 10
Source: HFS Research, 2021

Pega services business by geography

Percentage of Pega services business from each geography

- North America
- Continental Europe
- UK and Ireland
- Australia and New Zealand
- Middle East and Africa
- Other APAC
- India
- Latin America

Pie chart values: 51%, 15%, 14%, 10%, 7%, 6%, 3%, 3%

Percentage of Pega engagements in the following geographical categories

Bar chart:
- Single country: 58%
- 1-3 countries: 17%
- 3-5 countries: 11%
- 5-10 countries: 8%
- More than 10 countries: 15%
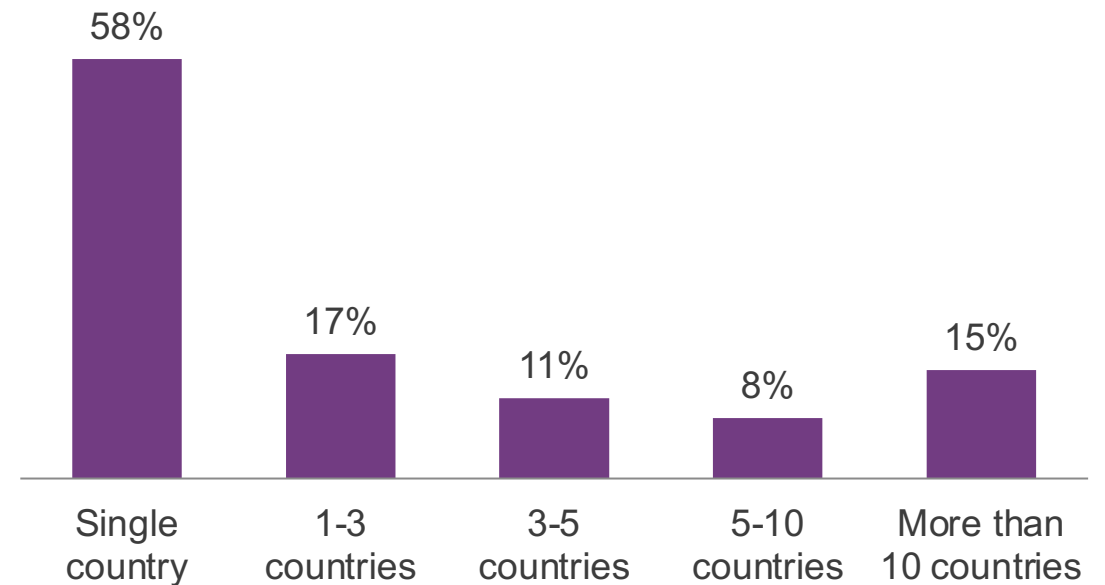
Aggregate responses of service providers in this Top 10
Source: HFS Research, 2021

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Pega services: Voice of the customer

Client reference demographics

Exhibit 1: Client references by industry sector

Sector	Count
Banking and financial services	11
Life sciences and healthcare	5
Retail, e-commerce, and CPG*	4
Public sector	4
Insurance	3
Telecom	2
Software and high tech	2
Manufacturing	2
Energy and utilities	1

N =34, Number of client references

CPG*: Consumer Packaged Goods
Source: HFS Research, 2021
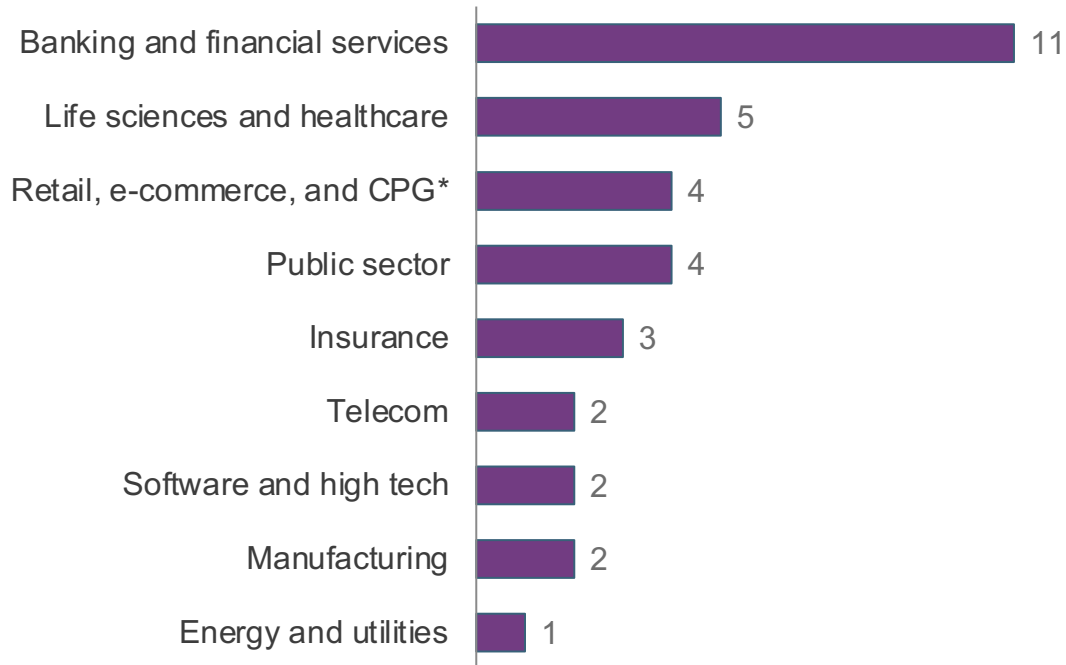
Exhibit 2: Client references revenue

Revenue	Count
$21-$50 billion	12
$11-$20 billion	5
$6-$10 billion	2
$1-$5 billion	8
< $1 billion	7
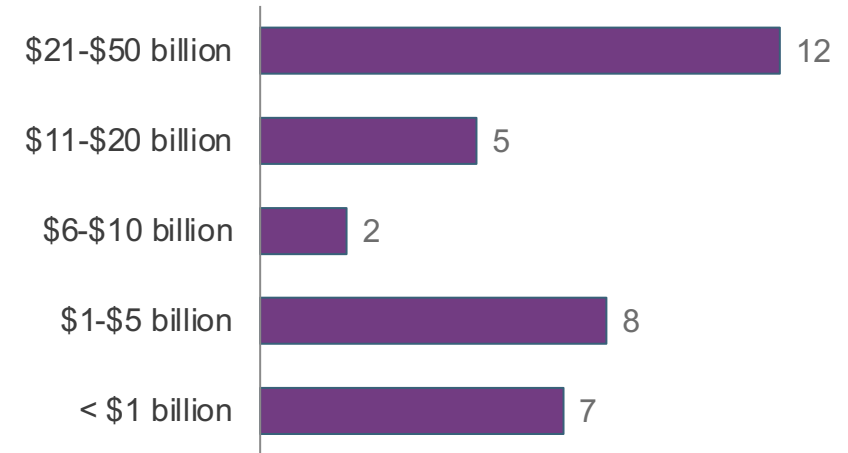
N =34, Number of client references

Organizational alignment

- Business 71%
- IT 29%

N =34, Number of client references

Excerpt for HCL

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Market summary:
key takeaways

The state of the Pega services market (1/2)

- **Astounding market dynamic, yet in the shadow of others:** There is a vibrant dynamic in the Pega ecosystem; however, in terms of mindshare, Pega is somewhat in the shadows of Salesforce and ServiceNow. This is in part because Pega is evolving from its heritage in traditional BPM to a broader positioning encompassing customer experience and process automation. Yet, this evolving positioning would benefit from more clarity. Pega's ultimate goal is to enable real-time decision-making.

- **Pega's marketing has significant room for improvement:** The moderate marketing and blurry positioning are curtailing market opportunities. Given its focus on customer experience, this bears a certain irony. Even though Pega is a much older company than both Salesforce and ServiceNow, its ecosystem is still in a state of infancy. It consists of a small set of global system integrators and a modest set of pure-play providers. Improvements in both marketing and the partner model are necessary to ensure becoming a central pillar on the journey toward the OneOffice.

- **Positioning needs refinement**: Pega's stance of a "center-out" architecture suggests starting neither with the channel nor with systems of record but with customers' "micro journeys" enhanced by real-time decision support. This is the logical evolution from its BPM sweet spot of case management. Fundamentally, what Pega is rightly advocating is to focus on outcomes rather than technology. Yet, those outcomes are front-office-centric, while Pega's ambitions, especially around process automation, are much broader. The ambition should be to evolve into a broader ecosystem spanning data and workflows.

- **Pega is still on the journey toward the cloud:** Given its long corporate development, starting as an on-premise BPM provider, Pega is still migrating its installed base to its cloud platform. As such, it is more akin to SAP, with its challenges of migrating its installed base to HANA. This is a marked difference from the likes of Salesforce and ServiceNow, which were born in the cloud. Thus, in Pega's earnings calls, the ratio of cloud adoption has become a key metric.

The state of the Pega services market (2/2)

- **Strong industry capabilities:** Probably because of its age, Pega has developed a robust set of industry-led capabilities. Thus, the company is ahead of both Salesforce and ServiceNow, which are accelerating their industry-led buildouts. However, those solutions often share the same approach across industries around topics such as customer acquisition, share of wallet, and digital process automation.

- **Strong innovation pedigree:** Pega's culture remains fairly engineering-centric. An example of that is version 8.6 of the Pega Platform. Focus point and key enhancements are real-time decisioning applied to processes. Furthermore, it has made progress toward real-time personalization and decisioning with the ability to explain how decisions were made.

  - *Process AI* blends streaming operational data such as Apache Kafka with case management and process automation to drive more adaptability of processes.

  - *Process Fabric* drives workflow orchestration across applications.

  - *Pega X-ray Vision* detects and fixes broken robotic process automation (RPA) bots with no human intervention.

Pega's competitive landscape

- Given the broad scope of the Pega platform, competition comes from a broad set of large ISVs with fundamentally different value propositions. There are different entry points available to engage with Pega.

- Increasing competition from specialized players appears in each horizontal function area, including customer relationship management (CRM), low-code/no-code (LC/NC), and enterprise workflow.

- Salesforce and ServiceNow are accelerating industry-specific offerings.

- BPM challengers like Appian can challenge Pega's core value proposition.

- In some areas, Pega will face difficulties differentiating, particularly in RPA and artificial intelligence (AI). Leading RPA vendors and independent software vendors (ISVs) are in a better position in terms of capability. Thus, a broader ecosystem integration can be a way forward.

- All of this boils down to a need for a more nuanced positioning to become and remain relevant to clients.
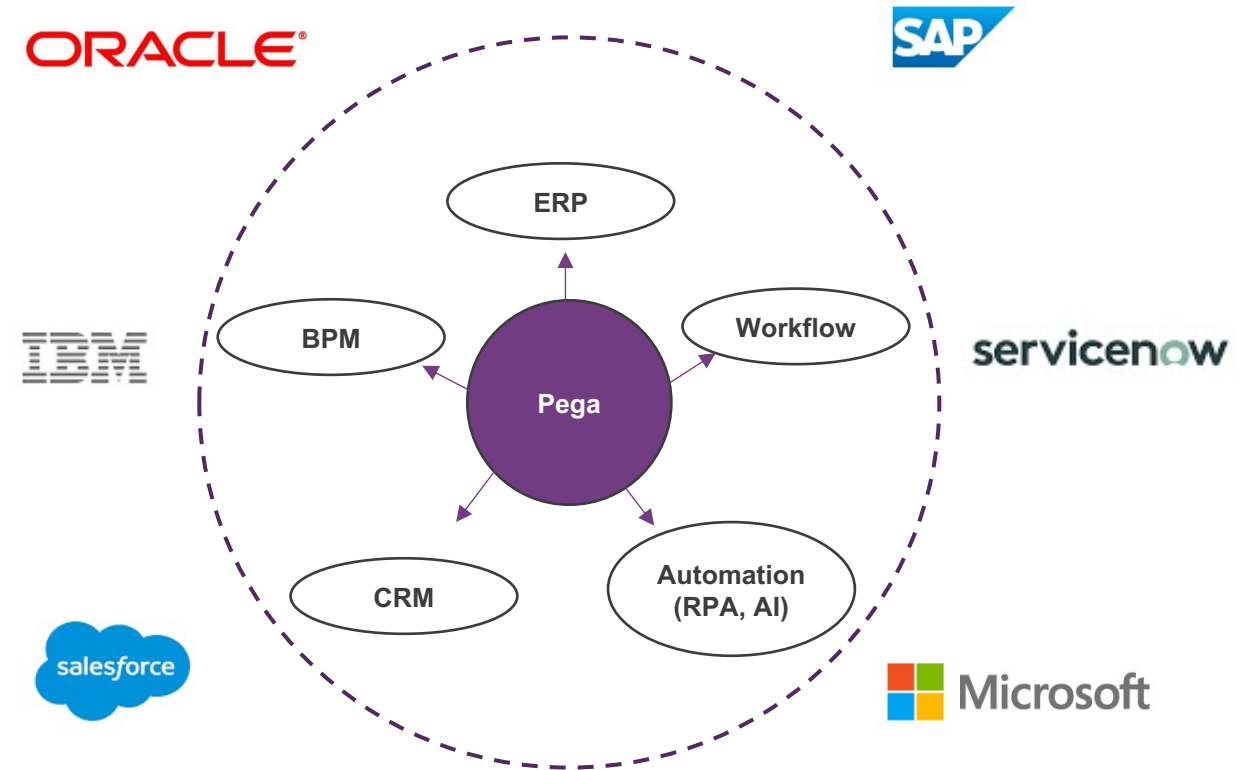
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HFS Pega services
Top 10 results

Excerpt for HCL

Summary of Pega service providers assessed in this report

Service providers (alphabetical order)	HFS point of view
Aaseya	Fast-growing specialist focused on delivering business outcomes
Accenture	Strong leader with deep investments and holistic outlook
Capgemini	Consulting-led with industry-sector experience
Coforge	Growing Pega specialist with strength in BFSI and government
Cognizant	Top reference scores, migration partner with innovation focus
EY	Fast-growing consulting expert with industry-sector focus
HCL	Innovation investment with strong business resources
Infosys	Digital transformation focus and low-code/no-code expertise
Mphasis	Good experience with ambitions to strengthen capabilities
TCS	Positioning as a business partner with a large certified pool
Tech Mahindra	Early engineering partner focused on solution development
Virtusa	Engineering strength with application modernization focus

Notable performances in Pega services

HFS Podium Winners Top five providers overall across execution, innovation, and voice of the customer criteria				
#1	#2	#3	#4	#5
accenture	Cognizant	virtusa	tcs TATA CONSULTANCY SERVICES	HCL

Execution powerhouses Top three providers on execution criteria			**Innovation champions** Top three providers on innovation criteria			**Outstanding voice of the customer** Top three providers on voice of the customer criteria		
#1	#2	#3	#1	#2	#3	#1	#2	#3
accenture	Cognizant	virtusa	accenture	Cognizant	virtusa	Cognizant	accenture	HCL

Other notable performances
• Accenture, with its biggest Pega practice, investments in business-oriented certifications, and tools across the service value chain, secured the #1 position. • Cognizant ranked #2 in execution, innovation, and voice of the customer. It scored the highest average in customer references. • Virtusa with its highest client number, investments on industry tools and partnerships, scored #2 in both market experience and growth & vision and roadmap. • EY ranked #2 in the ability to deliver business transformation and ranked #4 in the Voice of Customer. • HCL secured the #3 position in voice of the customer. Clients scored HCL high on its talent base, industry understanding, and business understanding.

HFS Top 10 Pega services 2021

Rank	Overall HFS Top 10 position	Execution				Innovation				Voice of the customer
		Scale	Market experience and growth	Breadth of services and geographic capabilities	Overall execution	Differentiated offerings	Ability to deliver business transformation	Vision and roadmap	Overall innovation	
#1	accenture	tcs Tata Consultancy Services	accenture	accenture	accenture	accenture	accenture	accenture	accenture	Cognizant
#2	Cognizant	accenture	virtusa	Cognizant	Cognizant	Cognizant	EY	virtusa	Cognizant	accenture
#3	virtusa	Cognizant	Tech Mahindra	virtusa	virtusa	HCL	HCL	Cognizant	virtusa	HCL
#4	tcs Tata Consultancy Services	Infosys Navigate your next	HCL	HCL	tcs Tata Consultancy Services	Capgemini	tcs Tata Consultancy Services	Capgemini	HCL	EY
#5	HCL	virtusa	Cognizant	Tech Mahindra	Infosys Navigate your next	virtusa	Tech Mahindra	Tech Mahindra	Capgemini	tcs Tata Consultancy Services
#6	Infosys Navigate your next	Capgemini	Coforge	Mphasis The Next Applied	HCL	EY	virtusa	HCL	EY	virtusa
#7	Coforge	HCL	Capgemini	EY	Capgemini	tcs Tata Consultancy Services	Infosys Navigate your next	EY	tcs Tata Consultancy Services	Tech Mahindra
#8	Tech Mahindra	Coforge	Infosys Navigate your next	Infosys Navigate your next	Coforge	Tech Mahindra	Coforge	tcs Tata Consultancy Services	Tech Mahindra	Coforge
#9	EY	Tech Mahindra	aaseya A YASH Technologies Company	Capgemini	Tech Mahindra	Coforge	Cognizant	Coforge	Coforge	aaseya A YASH Technologies Company
#10	Capgemini	EY	tcs Tata Consultancy Services	tcs Tata Consultancy Services	EY	Infosys Navigate your next	Capgemini	Mphasis The Next Applied	Infosys Navigate your next	Infosys Navigate your next

Excerpt for HCL

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HCL profile

How to read our summary statements regarding each service providers's Pega services capabilities

Dimension	Rank
HFS Top 10 position	#
Ability to execute	#
Scale	#
Market experience and growth	#
Breadth of services and geographic capabilities	#
Innovation capability	#
Differentiated offerings	#
Ability to deliver business transformation	#
Vision and roadmap	#
Voice of the customer	#

Strengths

- **Overview:** What Pega service offering is for the service provider
- **Execution highlights:**. How service providers are helping clients with their Pega service practice across the service value chain.
- **Innovation highlights:** How service providers are investing on the solutions, services and partnerships.
- **Voice of the customer highlights:** Feedback from references

Opportunities

- What growth opportunities the service provider have

Sections and headings are standardized for all profiles

Relevant acquisitions and partnerships	Key clients	Operations	Technology tools and platforms
Partnerships include: Relevant to Pega services	**Client target:** **Geographic coverage:** **Top industries:** **Key Clients:** Names Preferred	• Partnership level: Pega partnership level • Total headcount in the Pega service practice: # • Number of certified engineers and consultants: # • Total Pega certifications: # • Number of Pega services clients to date: # • Number of current and active Pega services clients: # Centers of excellence: Pega services focused	• Pega services focused

Innovation investment with strong business resources

HCL

Dimension	Rank
HFS Top 10 position	5
Ability to execute	6
Scale	7
Market experience and growth	4
Breadth of services and geographic capabilities	4
Innovation capability	4
Differentiated offerings	3
Ability to deliver business transformation	3
Vision and roadmap	6
Voice of the customer	3

Strengths

- **Overview:** Pega services is part of HCL's Digital Business Practice. Pega is a top-three technology partnership for HCL, which also includes Salesforce and Adobe. HCL is also the top solution contributor to the Pega Marketplace
- **Execution highlights:** The size of HCL's Pega services practice ranks in the top three in this research. It has invested heavily in business-oriented certifications, including Pega Certified Business Architect and Pega Certified Lead System Architect. HCL ranks in the top five in this research for the number of Pega services clients and client and revenue growth in the past year. HCL has strong experience in each element of the Pega services value chain, including consulting, implementation, management, and optimization services.
- **Innovation highlights:** HCL has invested in acquisitions, partnerships, and assets to bolster its Pega services capabilities. Examples include the HCL ADvantage Pega suite of industry sector-aligned assets and accelerators, which includes a fast-track upgrade implementation, execution, and certification process. HCL has developed many process and industry-sector solutions. Examples include its Mortgage & Lending Solution and its Digital Insurance Claims Experience Solution (DICE). HCL has also developed connectors to other technologies, including its Pega Workato Connector. HCL has been able to orchestrate collaboration between partners like Pega and Adobe with Pega's Customer Decision Hub and Adobe's Experience Cloud to scale connected experiences across the customer journey using HCL ADvantage Pega Experience Amplifier platform
- **Voice of the customer highlights:** HCL received the top average client reference scores in this research for the strength of business resources and business understanding. HCL received the joint top average client reference scores in this research for industry sector understanding. One client said, "HCL brings excellent wealth of knowledge and best practices." Another commented that HCL "brings thought leadership to projects."

Opportunities

- **Certified pool and geographic expansion:** HCL needs to increase its certified pool and expand its geographical coverage to remain competitive in this market. Clients should note that HCL's plans include opening new delivery centers across regions and continued investment in its dedicated Pega University for hiring and training.

Relevant acquisitions and partnerships

Acquisitions include:
- DWS Ltd (2020)
- Strong Bridge Envision (2019)
- Acquisition of select IBM products (2019)
- Broadcom (2019)
- H&D International (2018)
- C3i Technologies (2017)

Partnerships include:
Salesforce, Adobe, Workato, Microsoft, Google, GCP, AWS, IBM & Red Hat, Oracle, SAP, Dell Boomi, Atlassian, Scale Agile and Scrum Alliances, UiPath, Tibco, Appian, AUTOMATION ANYWHERE, Mulesoft, Blueprism, WorkFusion, Cisco, ServiceNow, Workday, Sitecore, Acquia, SDL Tridion, Kony, Elastic Path, Informatica, OpenText, Cloudera, Talend, Infor, Kony, Spark ML, Tableau, Qlik, BlueYonder, LLamasoft, Logility, Anaplan, MicroFocus, Collibra, Stibo Systems, Snowflake, Data Bricks, Alteryx

Key clients

Client target: HCL provides Pega platform services to small, medium, and large enterprises.

Geographic coverage: North America, United Kingdom, Continental Europe, Australia and New Zealand, and other APAC regions

Top industries: Financial services, life sciences and healthcare, manufacturing and automotive, telecom, travel and logistics, retail and consumer packaged goods

Key clients: Leading APAC bank, leading Australia and New Zealand bank, leading bank in Singapore, leading bank in APAC, leading European Bank, leading bank in APAC, leading European financial services provider, an international financial institution, Australian multinational bank, French multinational pharmaceutical company, American multinational e-commerce company, financial services holding company based in the US

Operations

- Partnership level: Gold
- Total headcount in the Pega service practice: 3,010
- Number of certified engineers and consultants: 1,031
- Number of Pega services clients to date: 165+
- Number of current and active Pega services clients: 55+

Co-innovation Labs: United States (3), Canada (1), Netherlands (2), Germany (1), United Kingdom (3), India (5)

Technology tools and platforms

- **ADvantage™ PEGA Suite**: A complete suite of solutions, implementation frameworks, and a playbook that accelerate a Pega implementation. A few examples include
  - **ADvantage™ Pega Code Scanner**
  - **ADvantage™ Pega ADvantage Upgrade/Migrate:** Fast-track upgrade implementation, execution, and certification process
  - **ADvantage™ Rapid Deployment Framework or CDaaS:** Continuous delivery as a service for faster time to market in the release life cycle
  - **ADvantage™ Pega Rules Impact & Reusability Index**
  - **ADvantage™ Pega Pre-Upgrade Assessment Tool**
  - **ADvantage™ Pega ROAR Dashboard**
  - **ADvantage™ Assess for Pega (Pega DevSecOps Maturity Assessment Tool):** An engineering-first mindset to accelerate business outcomes and realize ROI
  - **ADvantage™ Pega Governance Dashboard / Project Lighthouse**: Governance dashboard that consolidates environment and application related information across multiple Pega tenants
  - **ADvantage™ Pega–Continuous Testing Framework**: Test automation framework
  - **ADvantage™ Pega Experience Amplifier:** An end-to-end framework to build and deliver meaningful and contextual experiences for marketers across different digital touchpoints leading to brand marketing, prospect conversion, and retention
  - **ADvantage™ Pega Workato Connector**

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About the authors

HFS TOP 10

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Khalda De Souza is Research Fellow, SaaS services at HFS Research. She tracks how service providers are developing their SaaS services strategies as well as enterprise clients' requirements and needs in these markets.

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Krupa is a Senior Analyst at HFS Research, and she is part of data products. She is responsible for ITO-BPO outsourcing contract and Merger & Acquisition data collection for different service lines.

About HFS

Insight. Inspiration. Impact.

HFS is a unique analyst organization that combines deep visionary expertise with rapid demand side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries. Its analysts are respected for their no-nonsense insights based on demand side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as "RPA" (Robotic Process Automation) in 2012 and more recently, the HFS OneOffice™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation, Artificial Intelligence, Blockchain, Internet of Things, Digital Business Models and Smart Analytics.

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