Application Transformation Services PEAK Matrix® Assessment 2024 – North America

Focus on HCLTech
January 2024

Introduction

In light of evolving customer expectations and the need for enhanced productivity, the importance of application transformation has grown significantly for enterprises. To harness the full potential of emerging technologies, businesses must embrace the cloud and move away from outdated legacy systems. With the looming macro-economic uncertainty, North American enterprises are driving more focus on business value realization and outcomes of their application transformation initiatives. Service providers are in turn enhancing their offerings through strategic partnerships with technology, and platform providers and developing Intellectual Property (IP) to deliver higher Return on Investment (RoI) and gain enterprise confidence. They are also investing substantially in next-generation technology themes such as low-code/no-code and generative AI to augment their solution offerings.

In this research, we present an assessment and detailed profiles of 28 application transformation service providers featured on the Application Transformation Services PEAK Matrix® – North America. Each provider profile provides a comprehensive picture of its service focus, key IP / solutions, domain investments, and case studies. The assessment is based on Everest Group's annual RFI process for calendar year 2023, interactions with leading application transformation service providers, client reference checks, and an ongoing analysis of the application transformation services market.
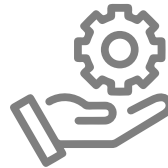
The full report includes the profiles of the following 28 leading application transformation service providers featured on the application transformation services PEAK Matrix – North America:

- **Leaders:** Accenture, Deloitte, HCLTech, IBM, Infosys, TCS, Wipro
- **Major Contenders:** Apexon, Aspire Systems, Brillio, Capgemini, CI&T, DataArt,, DXC Technology, Hitachi Digital Services (formally Hitachi Vantara), HTC Global Services, Kyndryl, LTIMindtree, Mphasis, Nous Infosystems, SLK Software, Tech Mahindra, UST
- **Aspirants:** Datamatics, Dexian IT Solutions, Jade Global, Stefanini

Scope of this report

Geography
North America

Providers
28 leading application transformation service providers

Services
Application transformation solutions

Application transformation services PEAK Matrix® – North America characteristics

Leaders

Accenture, Deloitte, HCLTech, IBM, Infosys, TCS, and Wipro

- Leaders have displayed a focused vision and strategy to drive application transformation for North American enterprise clients through a credible suit of branded IP and solution accelerators and a balanced services portfolio with mature advisory and implementation capabilities
- They are making strategic investments to expand their partnership ecosystem with hyperscalers, transformation-centric technology vendors, and niche start-ups; they continue to keep pace with market dynamics and make headway into disruptive themes such as generative AI to deliver productivity benefits across the software development lifecycle (SDLC)
- Providers in this category have strong onshore and nearshore delivery capabilities in North America with a proven track record of delivering large, end-to-end, and complex application transformation engagements making them attractive partners for enterprise clients across industries

Major Contenders

Apexon, Aspire, Brillio, Capgemini, CI&T, DataArt, DXC Technology, Hitachi Digital Services, HTC Global Services, Kyndryl, LTIMindtree, Mphasis, Nous Infosystems, SLK Software, Tech Mahindra, and UST

- While these providers are driving focus on strengthening their service offerings through dedicated investments in IP development and partner network expansion, their service portfolio and delivery capabilities are not as balanced as those of Leaders
- They continue to exhibit strong industry credentials for delivering application transformation services across select verticals, enterprise buyer groups, and transformation methodologies, making them strong contenders to Leaders

Aspirants

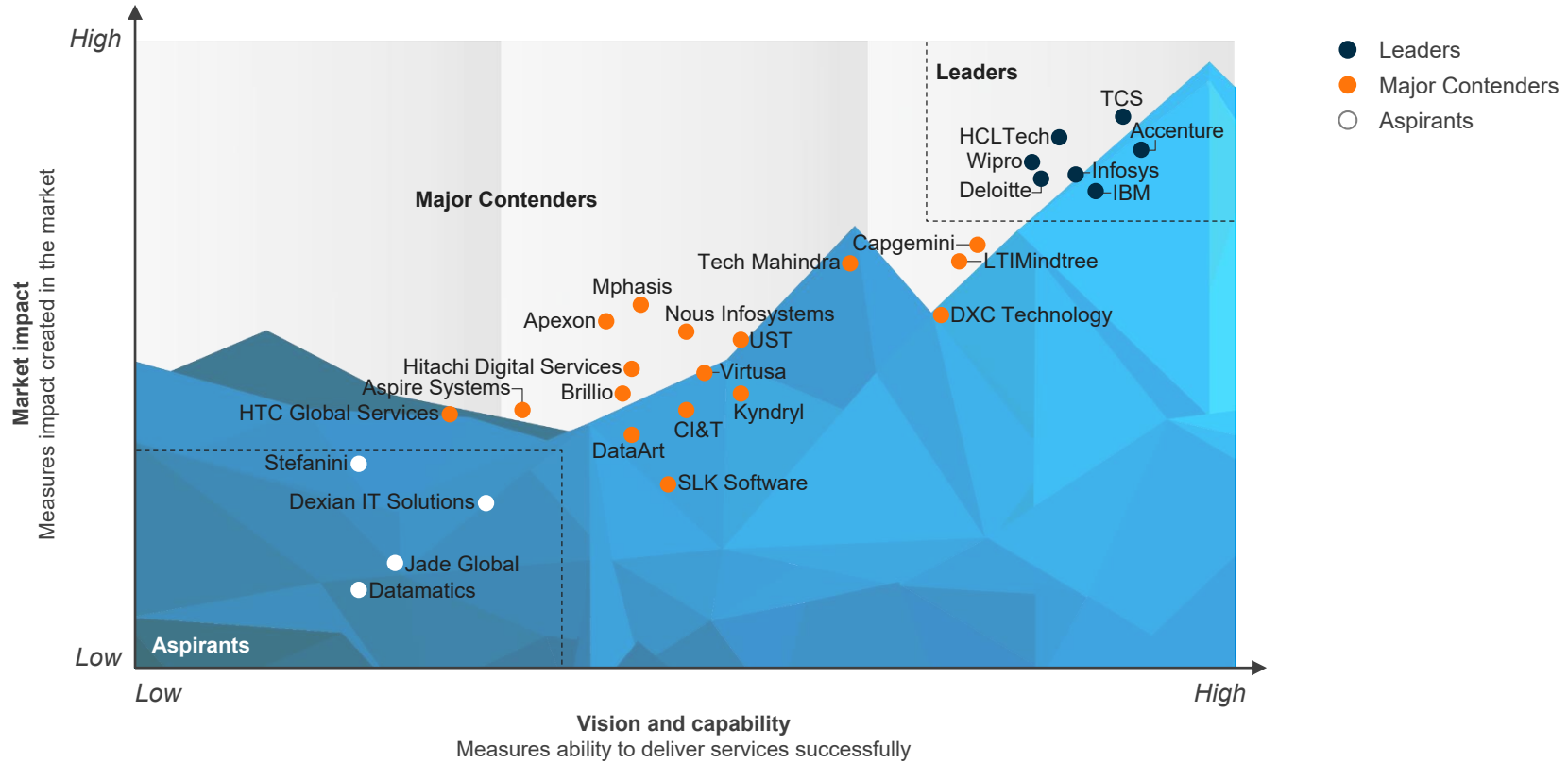Datamatics, Dexian IT Solutions, Jade Global, and Stefanini

- Providers in this category have limited market presence, delivery footprint, and customer portfolio
- However, they are gradually increasing their investments to develop focused solution accelerators, expand their partner network, and augment their services portfolio to contend in the mature transformation services market

Everest Group PEAK Matrix®
Application Transformation Services PEAK Matrix® Assessment 2024 – North America

Everest Group Application Transformation Services PEAK Matrix® Assessment 2024 – North America[1,2,3]

- Leaders
- Major Contenders
- Aspirants

Leaders

- TCS
- HCLTech
- Accenture
- Wipro
- Infosys
- Deloitte
- IBM

Major Contenders

- Capgemini
- Tech Mahindra
- LTIMindtree
- Mphasis
- DXC Technology
- Apexon
- Nous Infosystems
- UST
- Hitachi Digital Services
- Virtusa
- Aspire Systems
- Brillio
- HTC Global Services
- Kyndryl
- CI&T
- DataArt
- SLK Software

Aspirants

- Stefanini
- Dexian IT Solutions
- Jade Global
- Datamatics

Market impact — Measures impact created in the market

Vision and capability — Measures ability to deliver services successfully

High / Low axes

1 Assessments for Accenture, Capgemini, and Virtusa excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group's interactions with buyers
2 Analysis of IBM is based on capabilities after the split into IBM and Kyndryl
3 Analysis for Kyndryl and Infosys includes partial inputs from the service provider, and is based on Everest Group's estimates that leverages its proprietary data assets, service provider public disclosures, and interaction with buyers
Source: Everest Group (2024)

HCLTech | application transformation services – North America profile (Page 1 of 4)
Everest Group assessment – Leader

Measure of capability: ◔ Low ● High

Market impact				Vision and capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
◕	●	●	●	◕	◔	●	◕	◕

Strengths

- HCLTech's investments in curating a portfolio of application transformation solutions, branded under the Advantage Suite, have helped it gain enterprise mindshare

- Its comprehensive offerings portfolio covering accelerators across different transformation methodologies such as refactoring, rearchitecting, and replatforming makes it a credible partner to drive large transformation programs

- HCLTech's investments to expand footprint in Canada have helped it gain enterprise mindshare and enhance onshore delivery capabilities in the North American market

- Enterprise clients have lauded the domain knowledge of its transformation talent and their flexibility in accommodating requests beyond the contract

Limitations

- Enterprises looking for a strategic partner for advisory-focused transformation projects will need to do careful due diligence as HCLTech's consulting capabilities lag peers

- Some clients have expressed that HCLTech can enhance its role as a strategic partner by assisting them in formulating roadmaps and becoming more actively engaged in strategic decision-making

- Some clients have expressed concerns related to HCLTech's program management capabilities and delays in proactive communication of challenges

HCLTech | application transformation services – North America profile (Page 2 of 4)
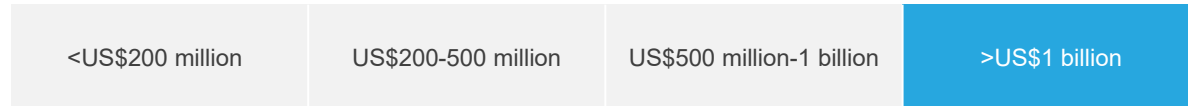## Overview

Vision

HCLTech envisions to become the preferred digital partner for Global 2000 enterprises in North America. Its strategy revolves around two fundamental principles: selectivity in pursuing clients and establishing deep and strategic relationships as trusted partners. It emphasizes on client-centric initiatives and the delivery of compelling digital solutions as the cornerstone of its growth strategy. Its unique employee first culture, characterized by trust, transparency, and focus on value, underpins its approach. Additionally, its commitment to contributing to the growth of the local economy has yielded consistent growth and success.

Scope of services

- Application portfolio discovery & optimization
- Legacy application modernization
- Application cloud migration
- Mainframe modernization & migration
- Application decommissioning and data archival

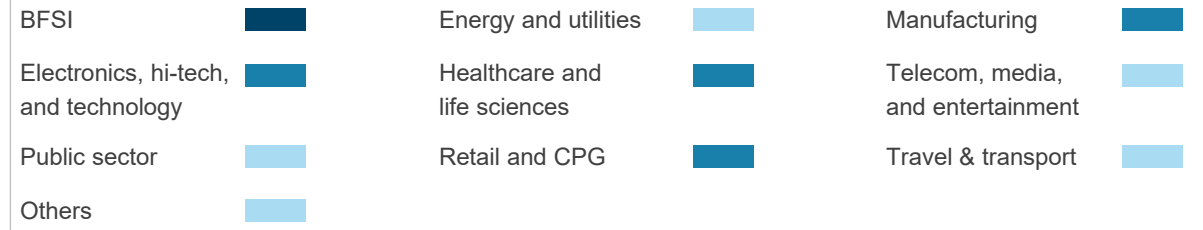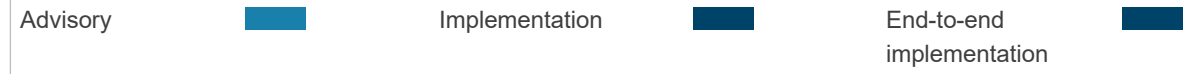**Application transformation services revenue** (2022)

<US$200 million	US$200-500 million	US$500 million-1 billion	>US$1 billion

Low (<10%)	Medium (10-20%)	High (>20%)

Adoption by buyer size

Small (annual revenue <US$1 billion)		Medium (annual revenue US$1-5 billion)		Large (annual revenue US$5-10 billion)	
Very large (annual revenue US$10-20 billion)		Mega (annual revenue >US$20 billion)			

Adoption by industry

BFSI		Energy and utilities		Manufacturing	
Electronics, hi-tech, and technology		Healthcare and life sciences		Telecom, media, and entertainment	
Public sector		Retail and CPG		Travel & transport	
Others					

Adoption by function

Advisory		Implementation		End-to-end implementation	

Adoption by geography

US		Canada		Mexico	

HCLTech | application transformation services – North America profile (Page 3 of 4)
Offerings

NOT EXHAUSTIVE

Proprietary solutions for application transformation (representative list)

Solution name	Details
Automated Technology Modernization Accelerator (ATMA)	It efficiently transforms legacy source code to modern architectures and platforms to accelerate large-scale modernizations. It supports diverse legacy languages (COBOL, PL/I, Visual Basic, TIBCO), target platforms (Java/Spring, .NET) and focuses on reducing modernization time and effort.
iLIT DC	HCLTech's iLIT DC solution (intelligent Language Interpreter & Translator Code Decomposition) helps to analyze a given inventory of source components and aids in drawing in-place or out of mainframe modernization strategy. It also assists in business rule extraction and application documentation of mainframe applications.
ADvantage Code 2.0	ADvantage Code 2.0 (now available on AWS marketplace) streamlines enterprise operations and helps enterprises scale, standardize and reduce infrastructure costs. The solution accelerates application development through automated code generation, DevOps pipeline management, and continuous code review, testing, and secure deployment.

Application transformation services partnerships (representative list)

Partner name	Details
Azure	The HCLTech Microsoft Ecosystem Unit offers specialized services across Microsoft's solution stacks, and cloud services including Azure, M365, GitHub, Power Platform, and Dynamics 365. It has retained the Azure Expert Managed Service Partner accreditation for the fifth consecutive year and offers solutions across all Industry Cloud layers (Service Operations, Industry Applications, Industry Point Solutions, Automation, etc.).
AWS	It is an AWS Premier Consulting Partner, Launch Partner for AWS Mainframe Modernization, and holds migration, DevOps, SAP, storage and mainframe modernization competencies in addition to being an MSP Partner. It is positioned to provide cloud-focused ecosystem and product innovation strategy both as a global systems integrator (GSI) and an independent software vendor (ISV).
GCP	It has established a dedicated Google Cloud Ecosystem Unit to accelerate cloud adoption by helping enterprises plan and execute large-scale migrations. The Google Cloud Global Migration and Modernization Factory – within HCLTech Google Cloud Ecosystem Unit, combines experts, IPs, migration frameworks and automation tools to accelerate migration of workloads into Google Cloud.
VMWare Tanzu	It is Titanium Black Partner with 14+ years of partnership, 8 Global labs, and 3 CoEs. It is also a VMware on AWS launch partner and VMware Cloud Native Master Specialist.

Application transformation services investments (representative list)

Investment name/theme	Details
Proactive investment for emerging technologies	HCLTech focuses on driving superior customer experience and leverages cloud native tools and emerging technologies through IPs such as VITA, ADC and ATMA leveraging generative AI to deliver better business value by ensuring that the modernized application utilizes native technologies for evergreening of the landscape.
Co-innovation labs	HCLTech has setup 60+ Co-Innovation Labs to provide a unique standalone entrepreneurial environment where business stakeholders and end-users can directly engage with its multidisciplinary team for building new offerings and conducting design thinking workshops.

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HCLTech | application transformation services – North America profile (Page 4 of 4)
Case studies

NOT EXHAUSTIVE

Case study 1	Mainframe modernization for an American multinational mass media and entertainment conglomerate

Business challenge
The client aimed to modernize its theme parks and vacation clubs by incorporating contactless, touchless, and cashless points of interaction as a crucial aspect of their digital transformation initiative. Its focus was on a comprehensive overhaul, including the complete redesign of legacy mainframe resort reservation systems and all applications within the ecosystem. The key objectives involved resolving issues related to data synchronization and addressing accumulated technical debt. This initiative sought to enhance the overall efficiency and user experience in alignment with contemporary digital practices.

Solution
HCLTech helped to reimagine business processes through process workflow and enabled the customer with a secured gateway tunnel to the external systems. It implemented modular design against layered design in legacy AS400 contract and end-to-end loan management platform. It modernized the legacy LANSA and RPG to Java with Angular2 and enhanced user experience due to consistent cloud native architecture using AWS PaaS, ECS, and modern UI. It implemented hybrid cloud strategy leveraging both AWS PAAS and IaaS solutions. It streamed event processing and correlations for event refinements and resolved data synchronization issue using Kafka pub/sub model.

Solution
- Improved speed-to-market by 40%
- Enhanced business agility
- Reduced average power usage effectiveness (PUE) from 1.7 to 1.12
- Improved customer experience

Case study 2	Application migration and re-platforming for an American multinational pharmaceutical company

Business challenge
The client wanted to provide a product centric IT approach to compliant, cost efficient, and secure operating model. It was looking to establish a product centric IT alignment between product owners and the modern IT/cloud operations team.

Solution
HCLTech applied modernized first and SaaS first approach driven by its FENIX2.0 methodology. It conducted a comprehensive portfolio analysis for value case realization through application, data and workload rationalization, disposition, patterns, data valuation for 2,000 applications and identified 300+ applications for migration. It created an innovative path to increase modernization using HCLTech cloud SMART offerings and modernized the client's core enterprise platforms (Tibco and SAP) . Further, it implemented continuous automation and built reusable components for driving efficiency post-modernization. Additionally, it transformed to a Cloud operating model through integrated operations, cloud native processes, skills upgradation, agile processes and best practices.
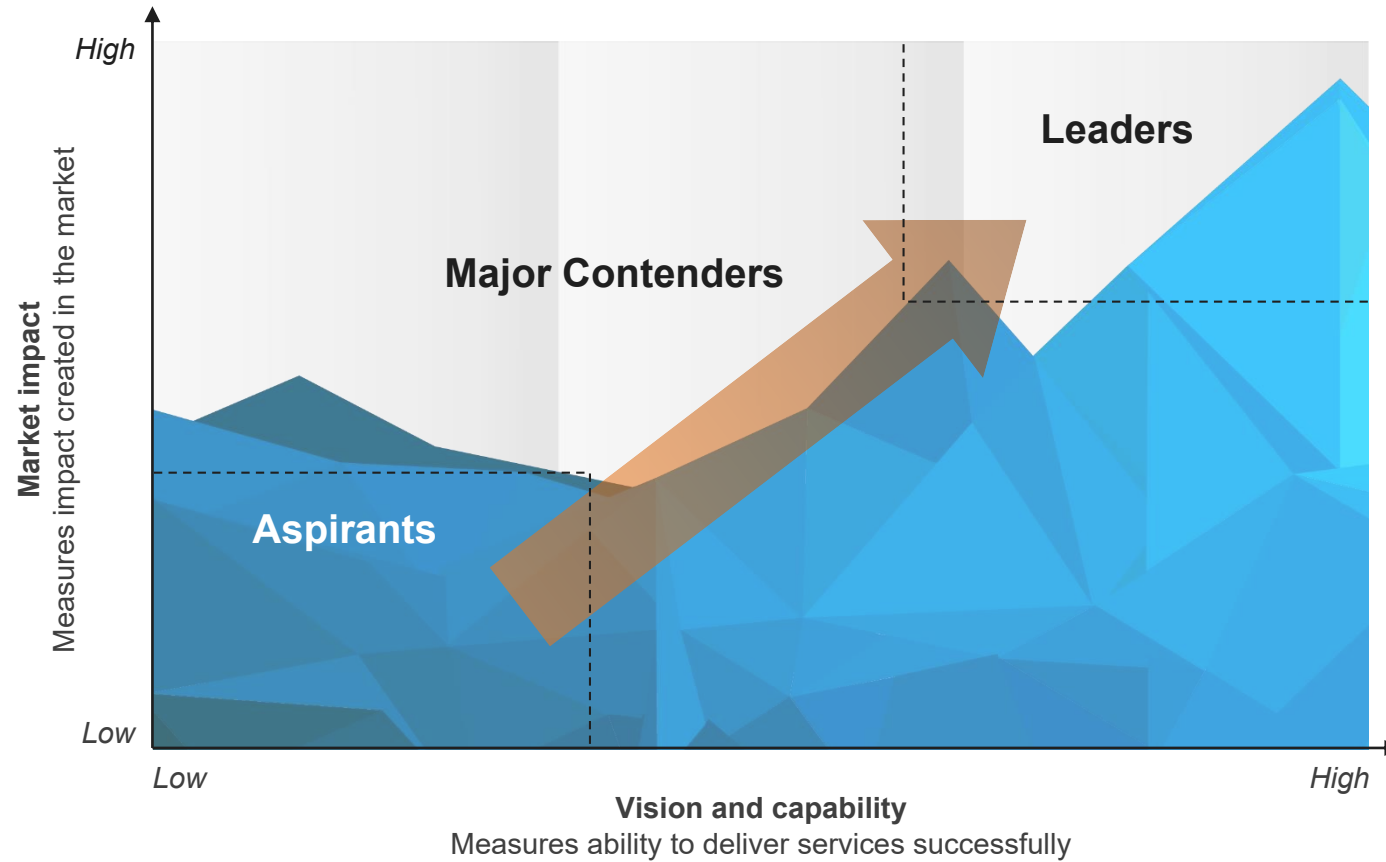
Impact
- Increased IT Productivity by 35%
- Helped create an innovation mindset that is being adopted across its IT and cloud ecosystem models
- Reduced carbon footprint by 90%

Appendix

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

Market impact

Leaders

Major Contenders

Aspirants

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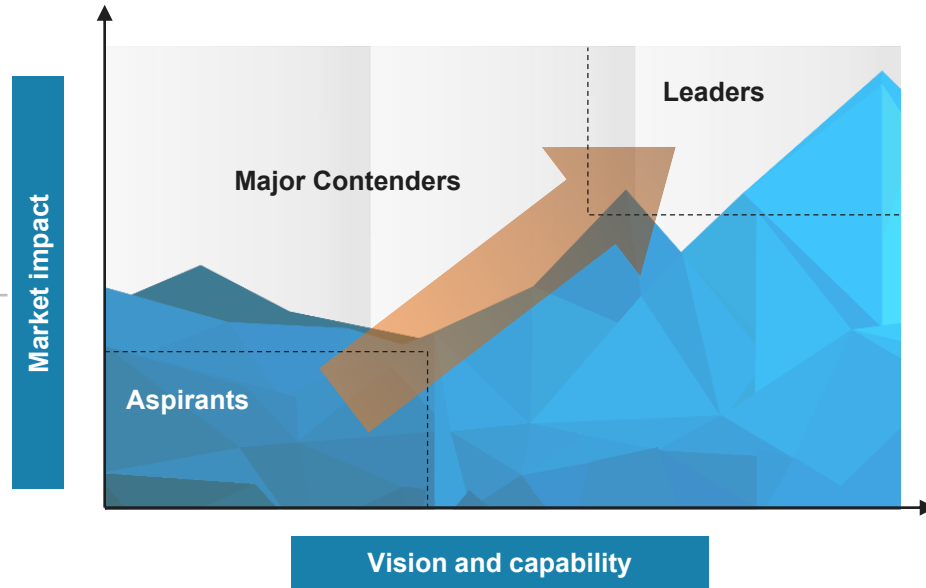
Measures ability to deliver services successfully. This is captured through four subdimensions

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 takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results 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 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 the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?
A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Enterprise participants receive summary of key findings from the PEAK Matrix assessment
- For providers
  – The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
  – In addition, it helps the provider/vendor organization gain brand visibility through being in included in our research reports

What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?
- Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:
  – Issue a press release declaring positioning; see our citation policies
  – Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
  – Use PEAK Matrix badges for 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 Everest Group; please contact your CD or contact us

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve enterprises' current and future needs. 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 and to serve enterprises' future expectations.

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With you on the journey

Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at **www.everestgrp.com**.

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