

NEAT EVALUATION FOR INFOSYS:

Agile & DevOps Services

Market Segments: Overall, Agile Development Capability,
DevOps Capability

Introduction

This is a custom report for Infosys presenting the findings of the NelsonHall NEAT vendor evaluation for *Agile & DevOps Services* in the *Overall*, *Agile Development Capability*, and *DevOps Capability* market segments. It contains the NEAT graphs of vendor performance, a summary vendor analysis of Infosys for agile & DevOps services, and the latest market analysis summary for agile & DevOps services.

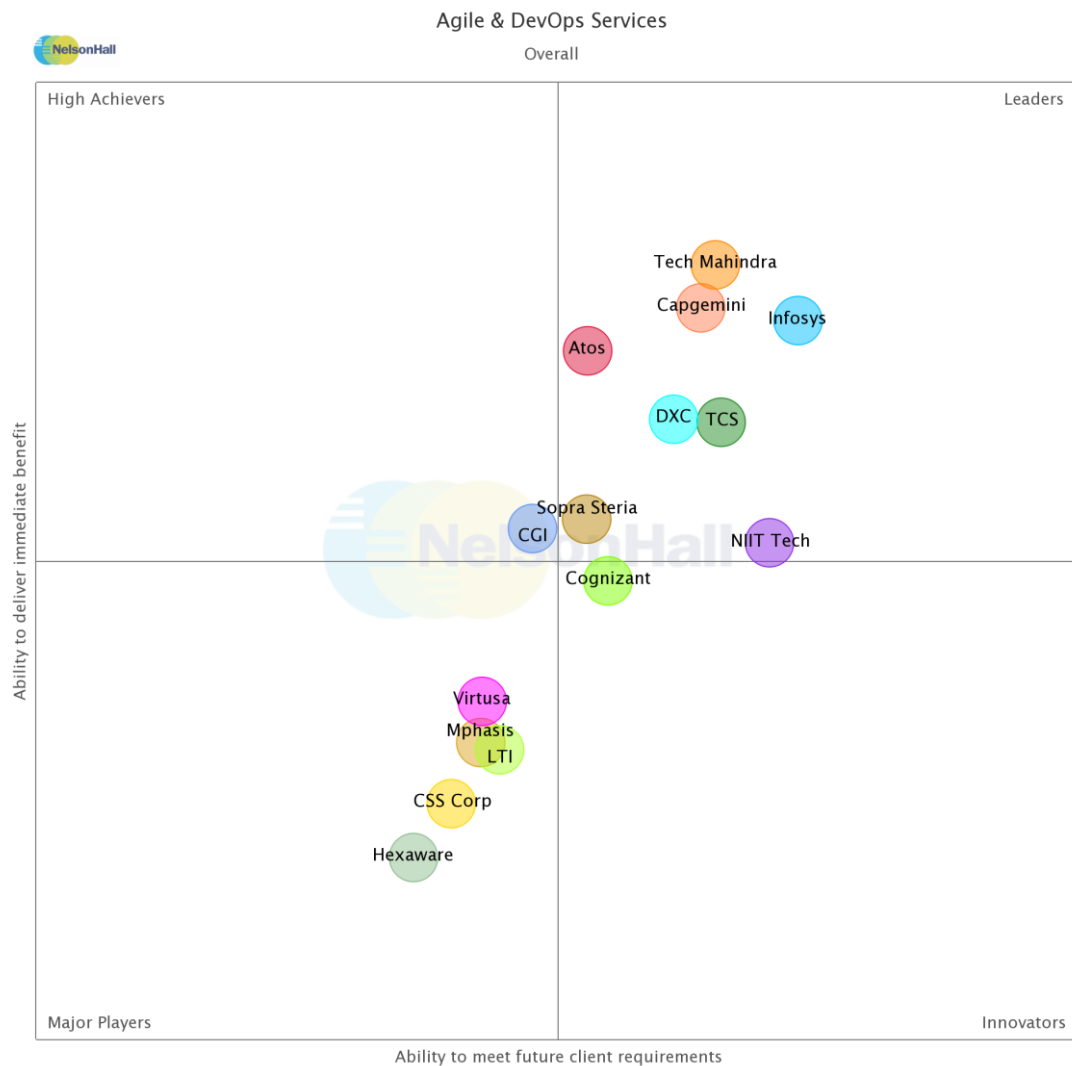
This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering agile & DevOps services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, and with specific capability in agile development and DevOps.

Evaluating vendors on both their ‘ability to deliver immediate benefit’ and their ‘ability to meet client future requirements’, vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Atos, Capgemini, CGI, Cognizant, CSS Corp, DXC Technology, Hexaware, Infosys, LTI, Mphasis, NIIT Technologies, Sopra Steria, TCS, Tech Mahindra, and Virtusa.

Further explanation of the NEAT methodology is included at the end of the report.

NEAT Evaluation: Agile & DevOps Services (Overall)

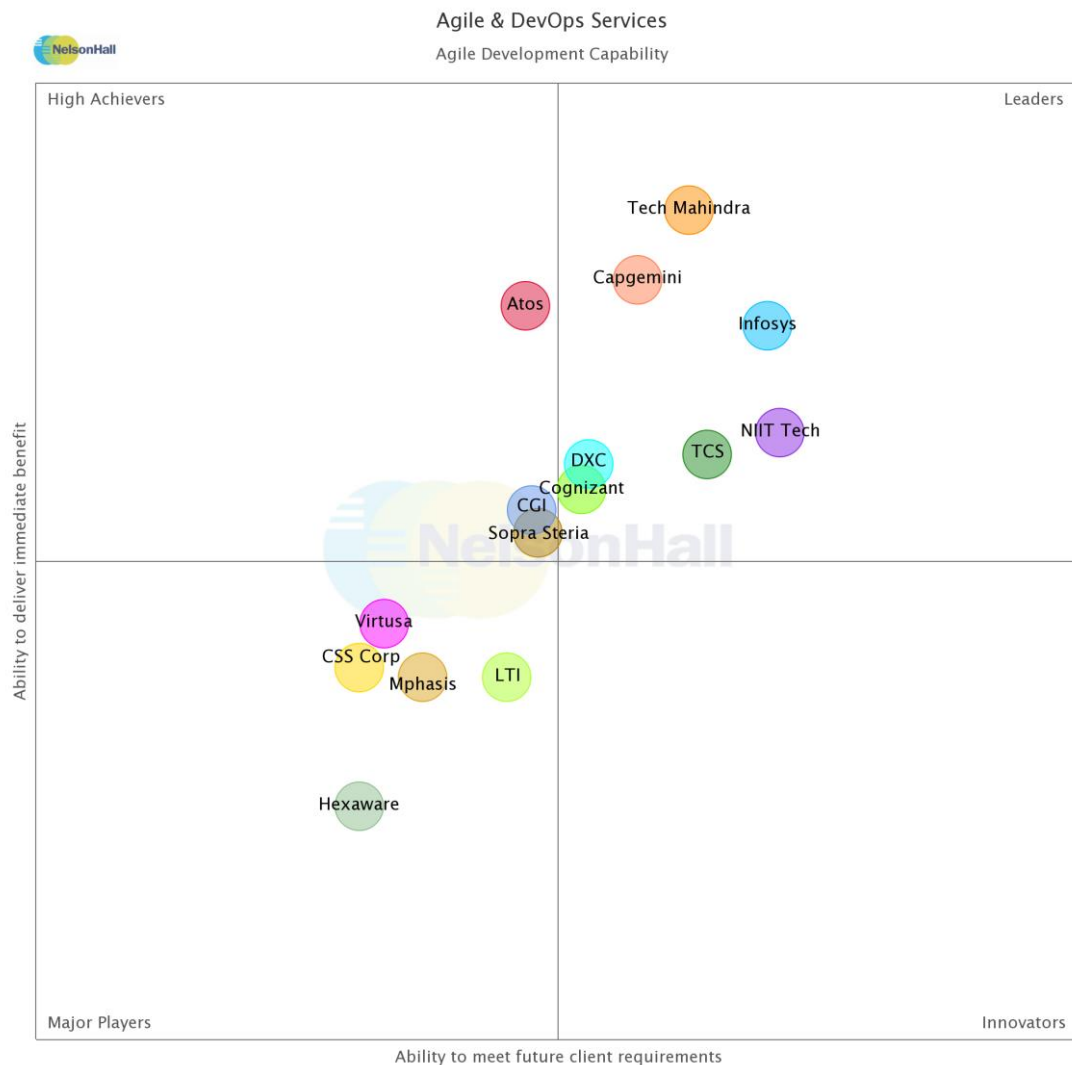


NelsonHall has identified Infosys as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects Infosys' overall ability to meet future client requirements as well as delivering immediate benefits to agile & DevOps services clients.

Leaders are vendors that exhibit both a high ability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet client future requirements.

Buy-side organizations can access the Agile & DevOps Services NEAT tool (Overall) [here](#).

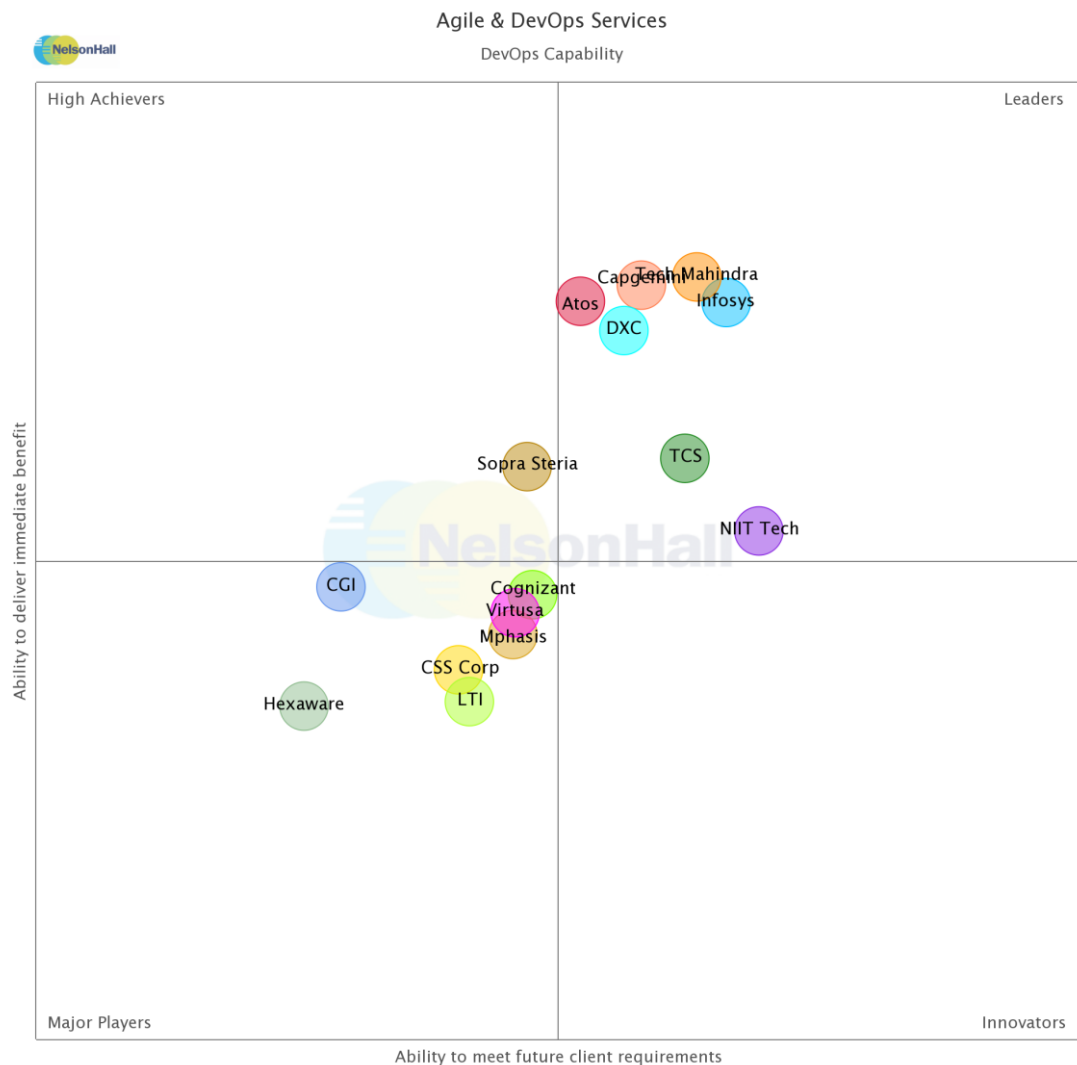
NEAT Evaluation: Agile & DevOps Services (Agile Development Capability)



NelsonHall has identified Infosys as a Leader in the *Agile Development Capability* market segment, as shown in the NEAT graph. This market segment reflects Infosys' ability to meet future client requirements as well as delivering immediate benefits to clients with specific capability in agile development.

Buy-side organizations can access the Agile & DevOps Services NEAT tool (Agile Development Capability) [here](#).

NEAT Evaluation: Agile & DevOps Services (DevOps Capability)



NelsonHall has identified Infosys as a Leader in the *DevOps Capability* market segment, as shown in the NEAT graph. This market segment reflects Infosys' ability to meet future client requirements as well as delivering immediate benefits to clients with specific capability in DevOps.

Buy-side organizations can access the Agile & DevOps Services NEAT tool (DevOps Capability) [here](#).



Vendor Analysis Summary for Infosys

Overview

Over the last two years, Infosys has evolved its strategy and sharpened the articulation of its positioning. Infosys' strategy is an evolution of one that it had been following for several years, but it has a significantly greater emphasis on business-centric digital themes, aligned with clients' priorities in different industries. Shortly after arriving in January 2018, CEO Salil Parekh outlined a four-pronged strategy to increase the company's relevance to clients and drive accelerated value creation:

- **Scale agile and digital:** investing in priority digital capabilities including experience, advanced analytics, digitizing core systems, cybersecurity and new offerings leveraging SaaS platforms, IoT and blockchain
- **Energize the core:** applying automation and AI techniques and software automation platforms to clients' core processes and systems
- **Talent re-skilling:** expanding the use of its Lex digital training platform, expanding partnerships with universities to create tailored curricula and building training programs in growing digital areas
- **Expand localization:** Infosys announced plans to hire 10k American workers by end FY20 and establish four development centers/innovation hubs, since adding a fifth. These are in Indianapolis, IN; Raleigh, NC; Hartford, CT; Richardson, TX; and AZ. Infosys claims it has now met the 10k hiring target. It also plans to open three Innovation Hubs in Australia, creating 1,200 jobs by 2020.

Specific to growing its agile and DevOps capabilities, Infosys is focusing on four dimensions of its services:

- **Workforce transformation:** training and certifying employees, reskilling to focus on agile
- **Acquiring ancillary capabilities:** WONGDOODY and Brilliant Basics to incorporate experience early in the lifecycle, and Fluidio to expand Salesforce capabilities
- **Transforming existing clients:** working with clients where it delivers ADM services and helping those clients transform themselves to agile
- **Modernizing internal enterprise:** adding agility to internal processes and building out its Live Enterprise approach to manage its workforce.

Financials

Infosys' total revenues for CY 2018 were \$11.5bn. NelsonHall estimates that Infosys' agile and DevOps services revenues account for ~20% of the total revenues (~\$2.3bn) with agile services representing ~\$1.8bn and dedicated DevOps services representing ~\$500m.



Strengths

- Significant agile and DevOps experience and client footprint
- Tailored DevOps offerings
- A broad portfolio of accelerators and IP
- Dedicated low code development practice, IP and partnerships
- Broad delivery network.

Challenges

- Increasing its execution strength in specific client growth areas, such as the Nordics region
- Improving adoption of non-DPA low code tools.

Strategic Direction

Infosys has defined a strategy to grow its agile development and DevOps practice by focusing on the following areas:

- Expanding DevOps offerings
- Growing talent footprint
- Completing agile space conversion.

Outlook

Infosys has placed agile and DevOps at the core of its strategy, offerings, and capabilities. This includes incorporating it into nearly all client work while also looking to transform its own internal operations. This is an ongoing evolution, but Infosys has made considerable progress with more than 80% of application development engagements and ~125k employees trained.

Infosys' delivery capabilities span a large number of delivery locations, providing the flexibility to tailor its delivery model to each client's specific needs. The conversion of delivery locations to be more agile-ready is still a work in progress, and once completed will provide Infosys with an even stronger delivery capability. In parallel, it is in the process of building its delivery strengths in key growth markets such as the Nordics.

Infosys also has a broad corporate priority on the development of IP and accelerators and is applying this to its DevOps and agile services. Building tailored DevOps pipelines helps simplify and accelerate the adoption of DevOps for common technologies such as Java, .Net, and other packages such as SAP, Siebel and others.

Infosys' focus on automation extends to building out dedicated low code development capabilities, an area of less focus among its competition. This portfolio of offerings, partnerships, and services positions Infosys well to help clients in developing closer alignment between IT and business and accelerate application time to market, two key values sought in the adoption of DevOps, agile and next-generation application development. However, it is still seeking to expand adoption of low-code tools.



Agile & DevOps Services Market Summary

Overview

NelsonHall sees ~34% of application services revenues associated with the use of agile development and DevOps today. While these services are growing rapidly, the large installed base for traditional application development and maintenance means agile and DevOps will remain a fast-growing minority area for the next few years.

Agile and DevOps services engagements typically take three forms: vendors delivering development services using agile and DevOps, vendors providing consulting to enable clients to deliver agile development and DevOps internally, and engagements that combine both transforming client operations and delivering development services using agile and DevOps.

The vast majority of vendor revenues for agile development and DevOps services are related to the use of these capabilities in the delivery of application implementation and management. However, a small portion (<10%) will be derived from stand-alone consulting services to aid clients in the adoption of these capabilities internally.

Clients that have engaged vendors in completed agile and DevOps service projects are primarily focused on time to market, value, and leveraging vendors to improve their own capabilities. These are all highly important to more than 85% of clients. However, the effectiveness with which vendors are helping realize this value lags considerably, with fewer than 65% of clients viewing vendors as highly effective.

Clients are placing significant importance on vendors' onshore delivery and automated development tools, each highly important to more than three in four clients. However, vendors are currently significantly less effective in meeting client expectations, with fewer than 60% of clients satisfied with current vendor delivery in any delivery capability.

To deliver these services, IT service vendors are investing heavily in their agile, DevOps and automated development capabilities. These investments are frequently focused in three main areas:

- Expanding agile and DevOps skilled employee base
- Adding intelligence into toolsets used to deliver services
- Transforming the spaces used to deliver these services.

Buy-Side Dynamics

The key capabilities sought by organizations in selecting a vendor to deliver agile and DevOps services are:

- Automated development tools
- Onshore agile development delivery
- DevOps consulting
- DevOps platform
- Offshore agile development delivery.



Market Size & Growth

The global agile, DevOps and automated development services market is estimated by NelsonHall as ~\$89,070m in 2018. We project agile, DevOps and automated development services to grow by ~11.6% annually through 2023.

Success Factors

The key success factors for agile, DevOps and automated development services vendors include:

- **Portfolio of tailored offerings:** successful vendors are able to adapt their agile development and DevOps offerings to specific client needs. This includes utilizing different agile approaches based on different objectives (Kanban for post-production, SAFe for scaled distributed agile) and tailoring DevOps pipelines: either using pre-configured pipelines for specific technologies or building around tools the client already has in place
- **Broad transformation focus:** successful vendors are working with and educating their clients on the broader change required to successfully pivot to an agile and DevOps delivery approach. This includes a concerted change management effort focused on governance, leadership and organization in addition to the defined processes
- **Scaled delivery:** successful vendors have a skilled delivery team, methodology and assets at scale, distributed globally. This allows for cost-effective delivery and enables vendors to respond as clients seek to quickly scale up successful agile proofs of concept into more broad enterprise agile efforts
- **Agile spaces:** successful vendors have built workspaces specifically designed to enable teams to deliver agile services. This includes collaborative space for early-phase ideation and design thinking, modular pods that can be moved to support changing teams and collaboration tools to support distributed work.

Outlook

The key benefits of adopting agile and DevOps are associated with accelerating service delivery. To realize these benefits, clients must be willing to make changes broader than implementing new toolsets and adopting new processes. Vendors must develop a plan and guide clients on making these broader transformational changes, including organizational, governance, performance measurement, and culture.

As clients become more sophisticated in their procurement of application services and are looking to tie IT initiatives with business value, they are increasingly looking to vendors to commit to achieving the proposed value and even align fees to achieving value. Vendors must develop clear KPIs and metrics that demonstrate how value is being realized for both IT and business and build internal capabilities that enable the alignment of fees with value realized.



The future direction for agile, DevOps and automated development services include:

- **Approach and objectives:**
 - Scaled, distributed agile is used as default application development methodology across the application landscape with specific targeted legacy platforms remaining in traditional delivery models
 - End-to-end DevOps toolchains tailored to specific requirements are deployed to manage major application families
 - Agile methods are used for the delivery of internal business functions in addition to IT functions.
- **Benefits:**
 - Accelerated delivery is tied directly to realizing business benefits including increased revenues through better tailored offerings and improved customer satisfaction
 - Vendor fees are tied directly to achieving agreed business outcomes.
- **Delivery model:**
 - Agile development team partners with UX-UI design and design thinking teams to collaboratively build high-value backlog
 - Globally distributed agile delivery teams, comprised of full stack development engineers organized into product teams, linked through collaborative technologies and working in specific build agile workspaces
 - End-to-end toolsets automate the workflow seamlessly across the entire SDLC
 - Ongoing operations teams are structured as site reliability engineering capabilities
 - Automated development tools are used to build cloud native applications in cloud PaaS environments.



NEAT Methodology for Agile & DevOps Services

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet client future requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet future client requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders:** vendors that exhibit both a high ability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet client future requirements
- **High Achievers:** vendors that exhibit a high ability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet client future requirements
- **Innovators:** vendors that exhibit a high capability relative to their peers to meet client future requirements but have scope to enhance their ability to deliver immediate benefit
- **Major Players:** other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.



Exhibit 1

'Ability to deliver immediate benefit': Assessment criteria

Assessment Category	Assessment Criteria
Offerings	<ul style="list-style-type: none"> Overall next gen app development capability Distributed agile development capabilities Client proximate agile development capabilities DevOps platform offerings Automated development offerings Agile development consulting services DevOps consulting services Outcome-based contractual models
Delivery	<ul style="list-style-type: none"> Offshore agile development delivery capability Onshore agile development delivery capability DevOps implementation and management capability Proprietary development tools Proprietary automated development tools Client proximate agile consulting capability DevOps consulting and implementation capabilities Agile & DevOps OCM capabilities Americas Agile & DevOps delivery EMEA Agile & DevOps delivery APAC Agile & DevOps delivery
Presence	<ul style="list-style-type: none"> Scale of Ops - overall Scale of Ops - consulting Scale of Ops - implementation
Benefits Achieved	<ul style="list-style-type: none"> Cost savings achieved Time to market improvement Value for money Skilled employee increase User satisfaction



Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

Assessment Category	Assessment Criteria
Overall Future Commitment to Agile and DevOps Services	Financial rating Commitment to agile & DevOps Commitment to innovation in agile & DevOps services
Investments in Agile and DevOps Capabilities	In agile capabilities In DevOps capabilities In automated development In proprietary offerings
Ability to Partner and Evolve Services	Key partner Ability to evolve and use best practices

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.



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Sales Enquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:

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