

## IDC MarketScape

# IDC MarketScape: Worldwide Manufacturing Information Transformation Systems Integration 2018 Vendor Assessment

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THIS IDC MARKETSCAPE EXCERPT FEATURES INFOSYS

### IDC MARKETSCAPE FIGURE

FIGURE 1

## IDC MarketScape Worldwide Manufacturing Information Transformation Systems Integration Vendor Assessment



Source: IDC, 2018

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

## IN THIS EXCERPT

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The content for this excerpt was taken directly from IDC MarketScape: Worldwide Manufacturing Information Transformation Systems Integration Vendor Assessment (Doc #US42455517). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

## IDC OPINION

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This IDC study represents the vendor assessment model called IDC MarketScape. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the IT systems integration (SI) for information transformation (IX) in the manufacturing industry and help assess current and anticipated performance. A companion to this document is *IDC MarketScape: Worldwide Manufacturing Information Transformation Strategic Consulting 2018 Vendor Assessment* (IDC #US42455617, forthcoming). This study assesses the capability and business strategy of nine of the prominent IT service providers for systems integration and other IT services related to information transformation in the manufacturing industry. This evaluation is based on a comprehensive framework and a set of parameters expected to be most conducive to success in providing IT services for IX in both the short term and the long term. Key findings include:

- Information transformation in manufacturing, as defined in this study, is one of the pillars of digital transformation (DX). In its simplest terms, IX services enable manufacturers to define and execute against an information strategy that capitalizes on the value of information that is and will become available to manufacturers and to embed intelligence in how manufacturers manage their operations and deliver products and services.
- All nine vendors included in this IDC MarketScape bring notable capability to the space, although they offer varying approaches to IX and its subcategories. All of them face competition from niche service providers as well as other IT suppliers at time. However, these other categories of competitors have not committed to providing the wide range of services and depth and breadth that we find in the vendors included in this research. In addition to the specific capabilities noted in this document, they dedicate significant resources to developing a partner ecosystem that is broad and diverse to ensure that they are continually innovating in their approach.
- IT service providers' global network of delivery centers support ongoing development and delivery of IX, from traditional analytics to big data and advanced analytics, as well as increasingly incorporating other 3rd Platform technologies and innovation accelerators, such as cloud, mobile, social, augmented and virtual reality, artificial intelligence, robotics, Internet of Things, and cybersecurity.
- The criteria used in this IDC MarketScape on IT systems integration for IX in manufacturing (and the resulting position of the vendors in Figure 1) are across dual dimensions of strategy (future plans and where the vendor is headed) and capability (where the vendor is today in terms of capabilities). Each of the elements within strategy and capability is then assigned a weighting based on the relative importance of each criterion in the opinion of IDC Manufacturing Insights and feedback from manufacturing customers.
- The results of this study reveal differences in experience by subindustry and delivery approach, and this information can be useful to manufacturers as they evaluate IT service providers for systems integration and other services engagements that encompass IX. How the vendor locates resources and what industries are most heavily represented in its customer list are two useful points of information.

- This IDC MarketScape is a starting point for manufacturers that are evaluating IT services vendors for help with implementation of IX projects. It is a "short list," if you will – a way to initially winnow down the long list of providers that exist in the marketplace. It does not replace the "due diligence" that companies must then complete to select the ultimate vendor for assistance in an information transformation initiative.

## IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

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Information transformation is a work in progress for many manufacturers. The most advanced manufacturers can accelerate the pace of sophisticated analysis, the mix of data and data types, and the ability to optimize and predict business decisions. To gain competitive advantage and become increasingly customer centric, manufacturers must adapt their classic data management approaches to master a differentiated information value chain.

For the purposes of this IDC MarketScape, and any subsequent research on the topic from IDC Manufacturing Insights, we are defining services for information transformation to include a combination of services, tools, and methodologies to support the development of an information strategy, ongoing information management, and increasing embedded intelligence and value from data.

There are many IT service providers that offer systems integration and implementation services around the business processes that comprise information transformation. For the purposes of this IDC MarketScape, we are focusing on the notable players with annual revenue in the manufacturing industry of \$500 million.

We define manufacturing very broadly, from consumer products; chemicals, pulp and paper, metals, and other process manufacturing segments; automotive, aerospace, farm, construction, and industrial machinery and other discrete manufacturing segments; and high-tech equipment and components. (Note that our definition did not always align with the nine vendors included in this study.)

It is important to note that not accepting inclusion in the IDC MarketScape does not imply a lack of capability; there are many reasons for not participating, including simply a lack of resources to complete the RFI or conduct a briefing. Those companies that accept our invitation to participate often do so because this technology area is of certain strength to them.

## ADVICE FOR TECHNOLOGY BUYERS

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- **Pay attention to industry-specific domain knowledge and capabilities.** The good news for buyers is that many of the large services firms have made significant investments, in both platforms and skills, to address information transformation in manufacturing. This investment has translated into many providers with advanced capabilities and very satisfied references. However, services providers have varying levels of industry expertise across certain business processes, whether they are for the supply chain, the plant, product focused, or customer facing. This combination of industry-specific needs and deep process understanding enables them to identify and recommend "best practices" that are industry specific. Therefore, understanding how the services provider addresses the business process within your industry segment is essential. If it's through packaged IP in the form of tools, ensure that the provider's project leadership will make sure the tools work together for one solution.

- **Consider the advantages of working with a services provider that already knows your business.** Multiple references indicated that they selected a provider based on the provider's knowledge of their systems or their products and processes and how that knowledge allowed the project to move forward more quickly.
- **Don't let data quality challenges hold back IX projects.** All of the providers in this study were able to help customers make forward progress without doing an all-encompassing data quality initiative. In some cases, they built some degree of data quality automation into the project or they established a parallel data quality as a service initiative.
- **Evaluate depth and experience within specific IX categories.** While all of the vendors in this IDC MarketScape exhibited very good to excellent breadth of experience across IX categories, across a given category, many of them have completed less than 20 in a given category. Manufacturers often caution prospective customers to understand the level of experience in a given category and avoid the dangers of "learning on the job" that can come with relative inexperience. In these cases, consider how to work with the services provider to craft an arrangement that reflects the learning curve. Gainshare and shared-IP models have both been favorable options.
- **Understand how the services providers structure their interactions and populate the project teams.** In countless interviews with manufacturers, there was consistent advice to ensure that the way the services firm balanced onshore needs with offshore resources matched what the manufacturer needed. This approach varies by services provider, and it is worth an extensive discussion up front to be certain the right expectations are established to support the initiative. Along the same lines, understanding the level of expertise and even identifying the key team members at the outset will support ultimate success.
- **Understand the delivery infrastructure the service providers offer and how they innovate with the partners in their ecosystem.** Given the global nature of most manufacturers' businesses, and the potential for many IX projects to span geographies, it is important to understand what resources service providers have located in each region, including delivery centers and domain-specific FTEs, with most providers expanding their local presence. In addition, a number of service providers have built centers of excellence (COEs) around various IX and innovation accelerator domains. They often rely on COEs and other centers to strengthen their ability to leverage partners' capabilities and to foster the kind of innovation that is often only found in academia or in start-ups.
- **Use this IDC MarketScape for vendor evaluation.** Use this IDC MarketScape in contract negotiations and as a tool to not only short-list vendors for IX service bids but also evaluate vendors' proposals and oral presentations.

## VENDOR SUMMARY PROFILE

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This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of the vendor's strengths and challenges.

### Infosys

Infosys Ltd. is positioned as a Leader in this IDC MarketScape for worldwide manufacturing information transformation systems integration.

Infosys is a multinational corporation providing business consulting, information technology, and outsourcing services with headquarters in Bengaluru, India. Founded in 1982, Infosys employs more

than 200,000 employees in 45 countries and has 116 delivery centers globally. Infosys has 554 manufacturing clients and almost 30% of its revenue comes from manufacturing clients. Infosys customers are distributed across all manufacturing segments, and the largest segment by revenue is high tech. About 70% of Infosys' global manufacturing customer base is in North America, and 90% of its manufacturing clients have revenue greater than \$1 billion, with 74% having greater than \$10 billion in revenue.

Key Infosys assets for IX include Infosys Nia and the Infosys Information Platform, Genome, and HawkEye. Infosys' IX projects span many process areas, although most customers are focused on very specific outcomes and as a result are usually in stage 2 of our IX Maturity Model. One of the most complex IX projects is Infosys' work with a manufacturer to transition to a single consolidated enterprise data warehouse, complemented with processes and tools to facilitate access to information and insights.

Infosys frequently partners with academia to expand its innovation related to IX. With the Infosys Innovation Fund, Infosys has invested in several start-ups that complement its approach to IX.

### **Strengths**

Infosys brings together a strong focus on the manufacturing industry, expertise and IP in data management and advanced analytics, innovation with new technologies such as IoT and AI, and a deep set of resources from delivery and innovation centers, COEs, and partnerships. Furthermore, the breadth of the company's range of services and capabilities related to IX is a considerable strength. The shift Infosys has made because of its investment in Nia is highly visible in the scale and scope of its IX projects. One Infosys reference appreciated the way that the Infosys leadership ensured that multiple teams within Infosys coordinated their delivery. Over the past five years, Infosys has completed more than 3,000 IX systems integration projects for manufacturers. Infosys also deserves credit for its escalating investment in North America to develop and attract local talent.

### **Challenges**

Infosys must continue to invest in its manufacturing organization and manufacturing-specific capabilities, as IX projects (as well as digital transformation projects) increasingly focus on specific business outcomes. Infosys must ensure it has the ability to appeal to C-suite executives and align projects with business objectives.

## **APPENDIX**

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### **Reading an IDC MarketScape Graph**

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

For this IDC MarketScape on worldwide manufacturing information transformation systems integration, because we are evaluating nine vendors that are dominant in terms of market share and presence, all of the vendors except one ended up within either the "Major Players" or the "Leaders" segment of the IDC MarketScape (refer back to Figure 1). These vendors have all demonstrated depth of experience with global 1,000 companies in this area. And while we have outlined some of the differences of offerings and strengths within the individual vendor profiles, IDC Manufacturing Insights would not hesitate to recommend any of them to a manufacturer evaluating this space.

## IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

## Market Definition

At IDC, information transformation is one of the five key dimensions to digital transformation, with an extensive definition available in *IDC MaturityScape: Information Digital Transformation in Manufacturing 1.0* (IDC #US41144316, April 2016) and highlighted in Figure 2. Leaders in information transformation can treat data and information as they would any critical business asset – with investments in people, processes, and technologies that acknowledge information's strategic importance and with a road map to maximize information's contribution to the business' success.

Information transformation projects may apply technologies such as business analytics, big data, information, and data management. Dimensions of information transformation include data discovery, value development, value realization, knowledge and collaboration, and information architecture.

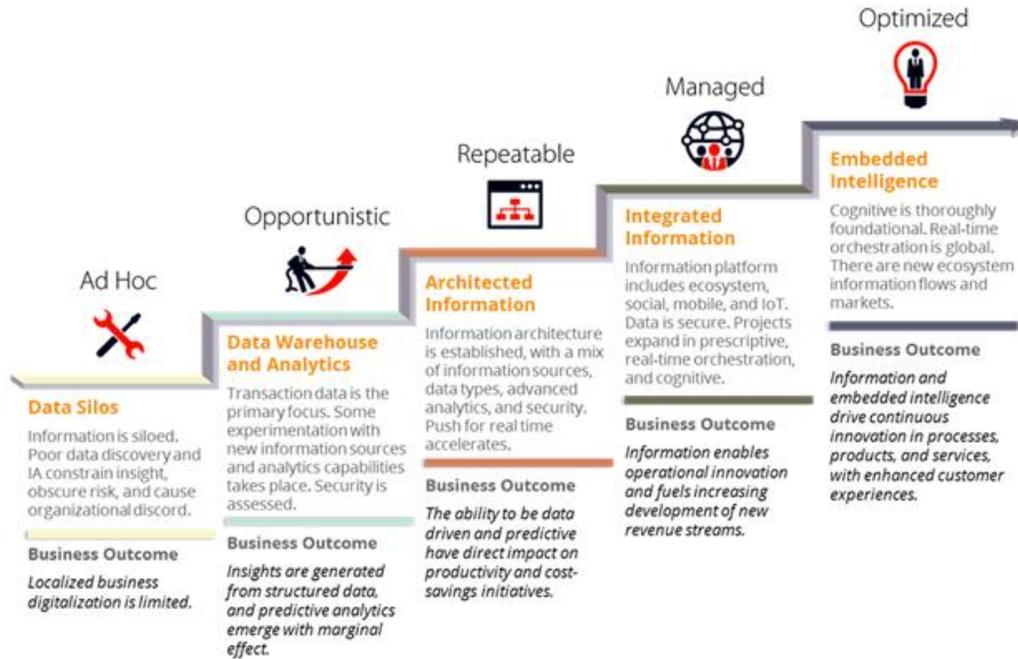
As this is an IDC MarketScape that evaluates IT service providers that offer systems integration and other implementation services for information transformation engagements in the manufacturing industry, it is useful to understand how IDC defines the services market, specifically IT systems integration (additional information can be found in *IDC's Worldwide Services Taxonomy, 2017*, IDC #US42356617, March 2017):

- IDC defines systems integration (SI) as a process that includes the planning, design, implementation, and project management of a technical solution that addresses an organization's specific technical or business needs. When SI deals involve contracting for custom application development related to the systems integration, then those activities are included in the definition of SI. SI projects typically involve different platforms and technologies. The solution may include hardware, software, and services and is consumed on-premise, on demand, or in a cloud-based environment. An SI project is formalized by a contract that is constructed around solution specifications and often demands certain levels of

performance against technical or business goals. The end result of an SI project is the delivery of a system that meets a stated objective and fulfills solution specifications.

**FIGURE 2**

**IDC's Information Digital Transformation in Manufacturing MaturityScape Stage Overview**



Note: For more information, see *IDC MaturityScape: Information Digital Transformation in Manufacturing 1.0* (IDC #US41144316, April 2016).

Source: IDC, 2016

The following are selected service capabilities/offerings for IX in manufacturing that vendors were evaluated against in the areas of business process focus:

- Customer relationship management (sales, contact center, marketing, website, price)
- Supply chain execution (procurement, logistics, production plans, supplier, inventory)
- Production/supply chain planning (demand, supply, production, S&OP)
- Product (new product design, costing, product quality, compliance, sustainability, product portfolio)
- Enterprise quality (in products and processes)
- Plant performance (manufacturing intelligence, OEE, output quality, environmental, energy, compliance)
- Enterprise asset management (maintaining owned assets)

- Service (new service design and delivery, warranty, customer service, field service, and supporting sold products)

Among the considerations for engaging with an IT services firm is their experience in vertical markets and their presence in a given geography. Often, the geographic presence indicates how well the provider can offer onshore resources to meet customer needs. While there is a concentration of customers in North America and Europe for most of the vendors, there is an increasing opportunity in emerging markets for these companies, and we expect to see growth continue in these regions (see Table 1). Another consideration is the level of experience the vendor has within a certain vertical market. Table 2 highlights the vendor coverage by the manufacturing segment.

## LEARN MORE

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### Related Research

- *IDC MaturityScape Benchmark: Digital Transformation in Manufacturing Worldwide, 2017* (IDC #US42382918, December 2017)
- *IDC FutureScape: Worldwide Digital Transformation 2018 Predictions* (IDC #US43154617, October 2017)
- *IDC FutureScape: Worldwide Manufacturing 2018 Predictions* (IDC #US42126117, October 2017)
- *IDC MaturityScape: Information Digital Transformation in Manufacturing 1.0* (IDC #US41144316, April 2016)

### Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of nine service providers participating in the worldwide information transformation in manufacturing IT systems integration market. The IDC MarketScape is an evaluation based on a comprehensive framework and a set of parameters that assesses providers relative to one another and to those factors expected to be most conducive to success in a given market during both the short term and the long term.

"Information transformation (IX) is an essential pillar of digital transformation. IX services enable manufacturers to define and execute against an information strategy that capitalizes on the value of information that is and will become available to manufacturers. IT service providers must be able to help manufacturers embed intelligence in how they manage their operations and deliver products and services, as well as assist manufacturers in creating value from their data," says Kimberly Knickle, research vice president for IDC Manufacturing Insights' IT Priorities and Strategies Practice.

## About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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