

NEAT EVALUATION FOR INFOSYS:

Cloud Advisory, Assessment & Migration Services

Market Segment: Overall

Introduction

This is a custom report for Infosys presenting the findings of the NelsonHall NEAT vendor evaluation for *Cloud Advisory, Assessment & Migration Services* in the *Overall* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of Infosys in cloud services, and the latest market analysis summary for cloud services.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering cloud 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 advisory and assessment services and migration services.

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, CSS Corp, DXC Technology, EPAM Systems, Infosys, LTI, Luxoft, Mphasis, NIIT Technologies, NTT Data, TCS, Trianz, Unisys, Virtusa, and Yash Technologies.

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



NEAT Evaluation: Cloud Advisory, Assessment & Migration 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 cloud 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 Cloud Advisory, Assessment & Migration Services NEAT tool (Overall) [here](#).



Vendor Analysis Summary for Infosys

Overview

Headquartered in Bangalore, Infosys was founded in 1981 in Pune by a group of seven programmers. It became a public limited company in India in June 1992 and was listed on NASDAQ in 1999, having set up development centers in several Indian cities to serve the global market.

Infosys launched a cloud offering in 2012 that focuses on assisting clients in migrating applications to cloud environments, as well as maintaining, orchestrating, and provisioning environments hosted across a number of partners.

To enhance its cloud service offering, in 2015 Infosys invested \$4m in Israeli software start-up CloudEndure, to expand its capabilities in automating server and application migrations through block-level continuous replication, application stack orchestration and automated machine conversion.

Early in 2017, Infosys redefined its cloud approach and is now looking more broadly at cloud as a foundational service spanning infrastructure, applications, and business processes. As a result, it has created an Enterprise Cloud Ecosystem (ECE) organization that spans its individual capability areas such as ERP, data and analytics, and SaaS.

It has defined two groups of dedicated teams in client-proximate locations to join the enterprise cloud ecosystem group. The first team has go-to-market employees dedicated to driving new engagements across key cloud technology partners (AWS, Azure, Oracle, Google and SAP) including in joint go to market opportunities with the vendors. The second has cloud strategists and architects who bring technical capabilities.

These client-facing teams are supported by remote delivery center teams dedicated to specific technical cloud skills such as:

- Cloud infrastructure and security: including cloud rehosting/remediating and hybrid cloud management
- Data and analytics: including big data, AI and machine learning, and IoT
- Application development and maintenance: including application re-engineering, and cloud native development
- Business applications: packaged application and ERP SaaS implementations.

Financials

Infosys' total revenues for CY 2017 were \$10.7bn. Of these CY 2017 revenues, NelsonHall estimates that ~19% (~\$190m) is associated with enterprise cloud ecosystem services, and of this NelsonHall estimates that ~72% (~\$137m) is related to cloud advisory, assessment, and migration services.



Strengths

- Broad dedicated Azure capabilities including tools and a trained and experienced workforce
- Significant mainframe modernization experience
- Broad footprint of application and infrastructure management clients to work with on cloud migration
- CloudEndure investment provides automated cloud migration capabilities
- Focus on broader vertical-specific digital transformation offerings.

Challenges

- Limited onshore cloud advisory capabilities
- Limited focus to date on automated advisory and assessment tools.

Strategic Direction

To continue the growth of its cloud advisory, assessment and migration services practice, Infosys is focusing on the following growth strategies:

- Develop new go-to-market solutions
- Build delivery economies of scale
- Skill-up employees with cloud capabilities.

Outlook

Infosys has a broad application and infrastructure management footprint of clients. This provides a foundation for delivering cloud services, given Infosys' existing relationships and knowledge of the client application landscape. As clients' objectives for migrating workloads to the cloud evolve, Infosys is looking to evolve in parallel. Building the Enterprise Cloud Ecosystem organization positions it to pull in the necessary capabilities to address broad client digital transformation objectives. It has a dedicated go-to-market organization and a core group of cloud strategists and architects supported by capabilities such as IoT, analytics, and application specialists. The go-to-market and cloud strategist teams are still a small focused group and given its leadership in shaping these engagements, it will be important for Infosys to expand its onshore consulting, strategy, and architecture capabilities to meet its growth objectives.

To support these specialist teams, it is also important for Infosys to continue to grow its automated toolset. While this has been a major focus throughout Infosys, for significant components of advisory and migration services, the use of third-party tools from AWS and Azure limits its differentiation from its competition. Its investment in CloudEndure and other third-party partnerships with tool providers lay the foundation for a more comprehensive differentiated automation capability, to be further expanded and matured.

Two areas where Infosys does have differentiated capability are its focus on mainframe modernization and its industry-targeted solutions. As clients continue to expand how they



capture value from a cloud adoption, these complementary offerings provide clients with an avenue to realizing their business case objectives.

Cloud Advisory, Assessment & Migration Services Market Summary

Overview

Expanding the objectives and scope of cloud adoption is driving the rise in cloud advisory and migration services. Clients are increasingly looking to vendors to help shape the overall enterprise cloud migration and optimize the to-be environment based on the existing application landscape and business objectives.

As companies look to migrate an increasingly larger proportion of their application landscapes to the cloud, advisory and migration services look to grow more quickly than overall cloud services. Seeking to understand the highest value and least risky migration approach, cloud advisory is the fastest growth service at 17.9% per annum through 2022.

In parallel with this changing focus, vendors are also seeing a changing profile in its buyers. Where early cloud migrations were driven by IT leadership looking for cost reduction, cloud migrations are increasingly driven by business-side buyers that are looking to cloud as a foundational element of a broader digital transformation that includes objectives around improving customer experience and increasing revenues.

While clients are increasingly looking to vendors to use advisory and cloud migration capabilities to support the foundational step in a broader digital transformation such as expanding the use of analytics and incorporating IoT, the benefits quantified for completed cloud migrations are still primarily focused on reducing infrastructure and operational cost.

To deliver these services, IT service vendors are investing in building both advisory and migration capabilities. These investments are primarily focused in three main areas:

- Developing assets including assessment tools, migration blueprints, and vertical-specific cloud offerings
- Building client-proximate cloud consulting capabilities to work with clients on developing a cloud strategy, migration plan and business case
- Remote migration factories that provide specific cloud application remediation and technical knowledge.

Buy-Side Dynamics

The key decision factors in selecting a vendor to deliver cloud advisory, assessment and migration services are:

- Existing relationships to expedite the understanding of the existing landscape and business objectives sought
- Bundled capabilities to include DevOps or analytics implementation, digital transformation or cloud management and operation.



Market Size & Growth

The global cloud advisory, assessment and migration services market is estimated by NelsonHall as ~\$4,078m in 2017. It is expected to grow at 17.5% CAGR to ~\$7,768m by 2022.

Success Factors

The key success factors for cloud advisory, assessment and migration services vendors include:

- Automated assessment and migration capabilities: successful vendors offer a portfolio of automated tools and methodologies to assess the suitability of the application landscape, develop a migration roadmap, build a business case for migration and execute the migration of workloads
- Local consulting capabilities: successful vendors possess local consulting teams that can work face to face with client teams to understand the existing application landscape, build the business case of migration and collaboratively define the to-be architecture and migration plan
- Migration factories: successful vendors possess remote delivery center based factories that provide specific technical capabilities and experience of successfully completed migrations for comparable clients
- End to end cloud capabilities: while cloud advisory and migration activities can be a stand-alone project, clients frequently want vendors that possess capabilities across the cloud lifecycle and associated services. This includes on-going management and operation of the cloud environment and DevOps implementation capabilities
- Repeatable assets: successful vendors are proactively capturing, retaining and using cloud migration experiences. In a rapidly growing market, building a capability to ensure that ensures each new engagement can use experiences helps meet client commitments. These repeatable assets can take the form of automated tools, migration factories, tailored migration blueprints and standardized methodologies.

Challenges

Key challenges are:

- As the scope of cloud migrations grows, a vendor's understanding of the existing application landscape must grow as well to ensure the migration plan can be achieved and the end-result environment meets the defined business objectives. To support this, clients are looking for vendors that can quickly execute a technical, business and functional assessment and use previous cloud migration experiences to build a migration plan and associated business case
- Clients' usage of cloud environments is evolving. The workloads migrated are broadening and clients are seeking more optimized, sophisticated cloud architectures. These increasingly include multiple public cloud providers, SaaS, private cloud and applications remaining on-premise. They are looking for vendors that can have the experience and tools to help shape these end solutions and quickly execute migrations spanning different environments.



Outlook

The future direction for cloud advisory, assessment and migration service vendors includes:

Approach and objectives:

- Cloud migrations are becoming a foundational step as part of a broader digital transformation
- Rather than looking to modify and migrate existing applications to operate minimally in a cloud, workloads will be increasingly replaced with optimized cloud-native developed applications
- The migrations of applications are templated by vendors based on sets of common vertical and horizontal blueprints to speed and de-risk migration
- Broad multi-cloud target environments become common as each workload is targeted to best-fit environment.

Benefits:

- Clients use cloud migration as a foundation to gain access to digital transformation technologies (IoT, machine learning) that expand their business case to increased revenues and improved customer service
- Client data center footprints are completely eliminated.

Delivery model:

- Advisory services are increasingly focused on business and functional skills rather than deep cloud technical skills
- Automated assessment toolsets incorporate cognitive capabilities that use past migration experiences to automatically optimize migration plans
- Toolsets are integrated across the cloud lifecycle; enabling automated assessment and planning, remediation, migration, cloud provisioning, orchestration and management without human action.



NEAT Methodology for Cloud Advisory, Assessment & Migration 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 client future 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.



Exhibit 1

‘Ability to deliver immediate benefit’: Assessment criteria

Assessment Category	Assessment Criteria
Offerings	Overall cloud AAM capability Cloud advisory & strategy capability Workload assessment Cloud migration capability Application remediation Mainframe modernization & migration Cloud integration offerings
Delivery	Onshore cloud consulting Offshore cloud factories Automated assessment tools Automated migration N. America cloud delivery EMEA cloud delivery APAC cloud delivery
Presence	Overall scale of operations In advisory & assessment services In migration services In N. America In EMEA In APAC
Benefits Achieved	Value for money Project cost objectives Infrastructure scalability/flexibility Operational cost savings



Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

Assessment Category	Assessment Criteria
Future Commitment to Cloud AAM	Financial rating Commitment to advisory/assessment & migration Commitment to innovation in cloud consulting
Investments in Cloud AAM Capabilities	In cloud strategy development In app workload assessment In app re-factoring In app migration
Ability to Partner & Evolve Services	Suitability as partner to meet future clients requirements Ability to evolve services

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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