

NEAT EVALUATION FOR INFOSYS:

# Supply Chain Transformation

Market Segment: Overall

## Introduction

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This is a custom report for Infosys presenting the findings of the NelsonHall NEAT vendor evaluation for *Supply Chain Transformation* in the *Overall* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of Infosys for supply chain transformation services, and the latest market analysis summary.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering supply chain transformation 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.

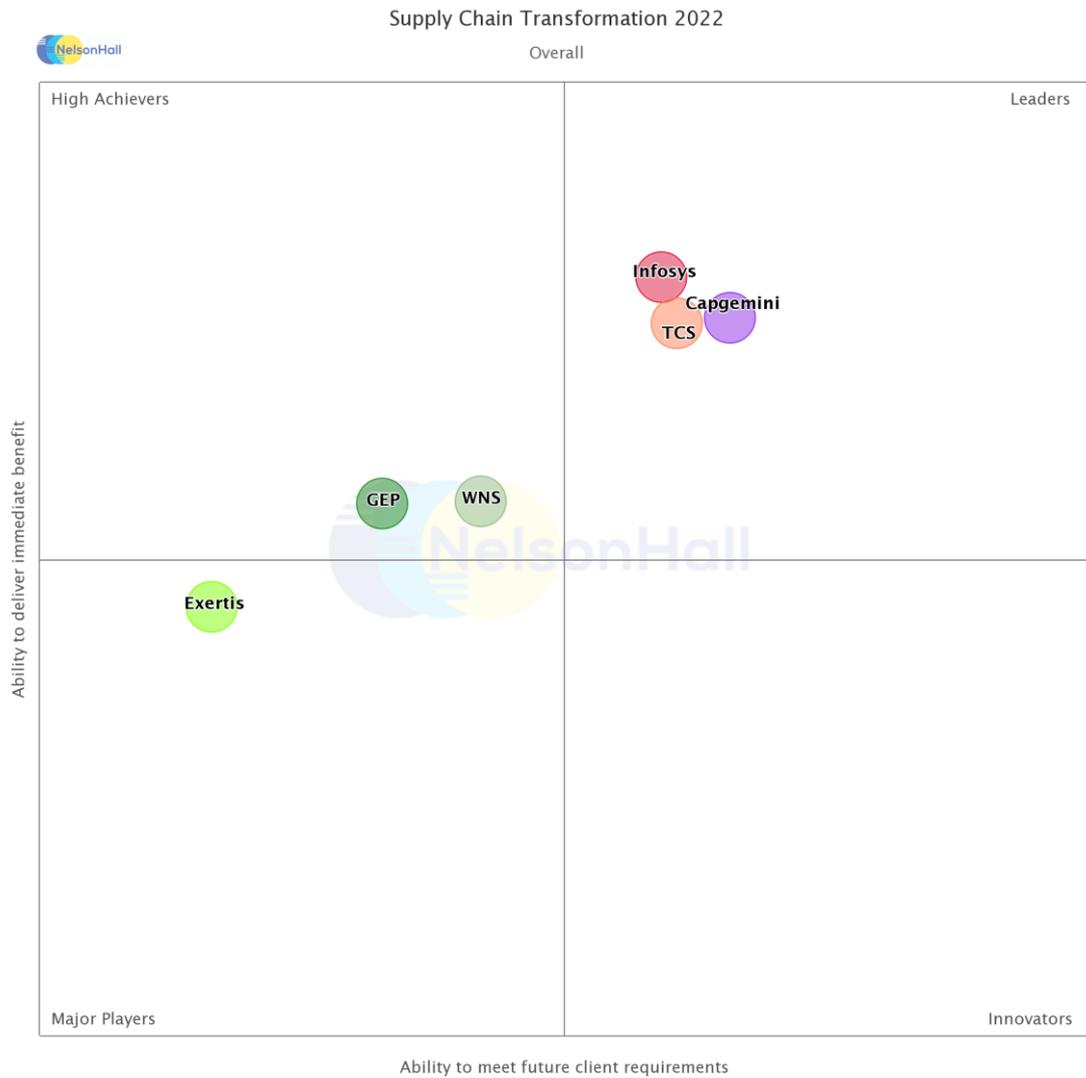
Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Capgemini, Exertis, GEP, Infosys, TCS, and WNS.

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



## NEAT Evaluation: Supply Chain Transformation (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 its supply chain management clients.

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

Buy-side organizations can access the *Supply Chain Transformation* NEAT tool (*Overall*) [here](#).



## Vendor Analysis Summary for Infosys

### Overview

Infosys offers an integrated supply chain service combining the capabilities of the Infosys Ltd. and Infosys BPM organizations. Its vision is "a live supply chain, which takes lessons from nature and is delivered using its social framework: sentient, observable, connected, innovative, agile, and live". As part of this vision, Infosys re-imagines:

- The supply chain network to become "live at core", e.g., supporting shifts in the business model to eCommerce
- The supply chain platforms to become "live at scale" by harnessing the power of data and AI
- The supply chain experience and process to become "live by design", e.g., making supply chain platforms user-friendly.

Infosys has developed offerings to address the current supply chain challenges, including:

- Supply chain resilience
- Customer-centric supply chain ecosystem
- Supply chain visibility & collaboration
- Supply chain sustainability (as part of a wider sustainability offering), e.g., to support a program pilot that combines customer loyalty management and sustainability
- Digital/Cloud native supply chain, e.g., to move core differentiators of supply chains to cloud-native technologies where clients can control their IPs.

Infosys has ~5.1k FTEs delivering SCM BPS. It also leverages a pool of ~11.4k consultants and ~13.9k IT personnel. Consulting and IT personnel are predominantly divided between onshore locations and India.

The numbers of Infosys supply chain BPS services delivery employees by process are:

- Demand and Inventory Planning: 350
- Logistics and Fulfillment: 4,043
- After-market services: 228
- MDM, reporting, compliance support: 397.

Infosys has 105 SCM BPS clients (89 logistics and fulfillment clients, 12 demand and inventory planning clients, and four after-market services clients).

### Financials

Infosys claims that its total 2021 revenue for supply chain services was \$2,450m (20% of its total revenues and more than double the total revenues of Infosys BPM). This implies revenues of ~\$250K per FTE in supply chain management.

Approximately half of Infosys' supply chain management BPS and transformation revenues are derived from North America.



## Strengths

- Supply chain-specific digital accelerators such as its Order Delay Predictor
- Significant onshore SCM BPS capability
- Presence in after-market services
- Complementary IT services and BPS capability
- Strong presence in SCM BPS in manufacturing & hi-tech sectors.

## Challenges

- High reliance on order management
- Increasing the number of clients for after-market services, demand, and inventory planning.

## Strategic Direction

Infosys focuses its investments in:

- Creating end-to-end platforms to bring together Infosys' IP solutions, partner ecosystem solutions, and sometimes customer services
- Developing its pre-fabricated foundational capabilities by bringing best practices together to offer pre-built supply chain integration
- Creating differentiated supply chains through SC foundation and platforms from the new business model perspective
- Investing in the start-up ecosystem and ecosystem partners to help them mature faster.

## Outlook

Expect to see Infosys:

- Continue to invest in further developing the use of AI, RPA, and NLP across its SCM offerings
- Continue to invest in delivering pre-fabricated platform bundles.



## Supply Chain Transformation Market Summary

### Overview

- Primary drivers for supply chain transformation include digitalization and efficiency, as well as agility and supply chain visibility
- Organizations are typically not self-sufficient in driving supply chain transformation
- The majority of supply chain services continue to be delivered from offshore. However, vendors are increasingly recruiting onshore consulting and domain specialists
- Vendors are increasingly investing in plug-and-play models with pre-built supply chain integration, building predictive and cognitive supply chains based on collaborative data ecosystems and use of digital twins
- With organizations looking for connectivity and wider business alignment, vendors will look to expand their scope beyond traditional supply chain activities, offering integrated services (e.g., supply chain, procurement, and manufacturing) to address the disconnect between the business departments.

### Buy-Side Dynamics

Key benefits buyers seek from supply chain transformation include:

- Automation in order management
- Improved visibility and reporting of the overall supply chain
- Cost reduction in supply chain administration
- Access to real-time data combined with automation in logistics.

### Market Size & Growth

NelsonHall estimates the global supply chain services market as ~\$8bn in 2022, with expected growth of 15% CAGR through 2026.

### Challenges

Market challenges include:

- Despite further investment in transformation services by supply chain services providers, clients seek additional support or leverage in-house capabilities in order to stay ahead of the curve, redesign and reshape their organizations
- Newer market entrants lack extensive multi-shore delivery capabilities to accommodate the demand for a global footprint, especially for operations and helpdesks
- BPS firms often lack extensive IT capabilities, infrastructure and technical breadth of knowledge, which is one of the key client requirements
- Despite many vendors offering some IT services, organizations seek additional support from technology vendors and integrators for software applications to achieve supply chain



transformation; some vendors require further capability in IT to be self-sufficient in delivering supply chain transformation

- Similarly, insufficient domain expertise causes organizations to seek additional support from logistics and aftermarket services specialists; supply chain transformation vendors need to further strengthen their capability in this space to offer an end-to-end supply chain transformation service
- Vendors have scope for improvement in delivering supply chain transformation benefits, particularly cost reduction in supply chain administration and improvement to the level of automation in order management.

## Success Factors

Critical success factors include:

- Provision of advanced analytic reporting capability
- Use of design thinking to reimagine supply chain processes and operating models, and enable digital supply chain transformation coupled with innovative pricing and commercial terms
- Delivery personnel with relevant qualifications, certifications, and expertise
- Acting as a trusted advisor who can proactively deliver innovation and best practice, not just as a service provider.

## Outlook

Supply chain management services remains one of the strongest growing and most transformative areas of BPS, driven by a continuing need for increased supply chain visibility and optimization.



## NEAT Methodology for Supply Chain Transformation

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 capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements
- **High Achievers:** vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet future client requirements
- **Innovators:** vendors that exhibit a high capability relative to their peers to meet future client 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"> <li>Supply chain management BPS capability</li> <li>Supply chain management transformation capability</li> <li>Demand and inventory planning capability</li> <li>Production support capability</li> <li>Logistics and fulfillment capability</li> <li>Aftermarket services capability</li> </ul>
Delivery Capability	<ul style="list-style-type: none"> <li>Scale of BPS delivery capability</li> <li>Scale of transformation delivery capability</li> <li>Delivery in support of demand and inventory planning</li> <li>Delivery in support of production support capability</li> <li>Delivery in support of logistics and fulfillment capability</li> <li>Delivery in support of aftermarket services capability</li> <li>Offshore delivery capabilities (Total)</li> <li>Offshore delivery capabilities (BPS)</li> <li>Offshore delivery capabilities (Transformation)</li> <li>Nearshore delivery capabilities (Total)</li> <li>Nearshore delivery capabilities (BPS)</li> <li>Nearshore delivery capabilities (Transformation)</li> <li>Onshore delivery capabilities (Total)</li> <li>Onshore delivery capabilities (BPS)</li> <li>Onshore delivery capabilities (Transformation)</li> <li>Application of automation in supply chain operations</li> <li>Application of analytics in supply chain operations</li> <li>Caliber of personnel</li> </ul>
Client Presence	<ul style="list-style-type: none"> <li>Scale of client base: BPS</li> <li>Scale of client base: transformation</li> <li>Scale of client base: demand and inventory planning</li> <li>Scale of client base: production support</li> <li>Scale of client base: logistics and fulfillment</li> <li>Scale of client base: aftermarket services</li> <li>Number of clients in the Americas</li> <li>Number of clients in EMEA</li> <li>Number of clients in APAC</li> </ul>
Benefits Achieved	<ul style="list-style-type: none"> <li>Improvement in visibility of the overall supply chain</li> <li>Improvement to the level of automation / error reduction in order management</li> <li>Improvement to the level of automation / error reduction in logistics management</li> </ul>

*Continued...*



Improved access to real time data in logistics management
Improved reporting
Improvement to the level of automation and duplication removed from global trade management
Level of improvement achieved in planning of stock levels
Cost reduction in supply chain administration
Improved asset utilization
Improvement to the level of data quality in forecasting

Exhibit 2

**‘Ability to meet client future requirements’: Assessment criteria**

Assessment Category	Assessment Criteria
Investments	Investment in supply chain management BPS capability Investment in supply chain management transformation capability Investment in demand and inventory planning capability Investment in production support capability Investment in logistics and fulfillment capability Investment in aftermarket services capability Investment in automation Investment in analytics
Ability to Deliver Innovation	The extent to which the client perceives that innovation has been delivered The extent to which the client perceives automation has been delivered Suitability of vendor to meet future needs of the client Design thinking
Commitment to S2P BPS/Transformation Market	Perceived commitment: BPS Perceived commitment: Transformation

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



[research.nelson-hall.com](http://research.nelson-hall.com)

**Sales Inquiries**

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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