



IDC MarketScape

IDC MarketScape: Worldwide Cloud Professional Services 2016 Vendor Assessment

Gard Little

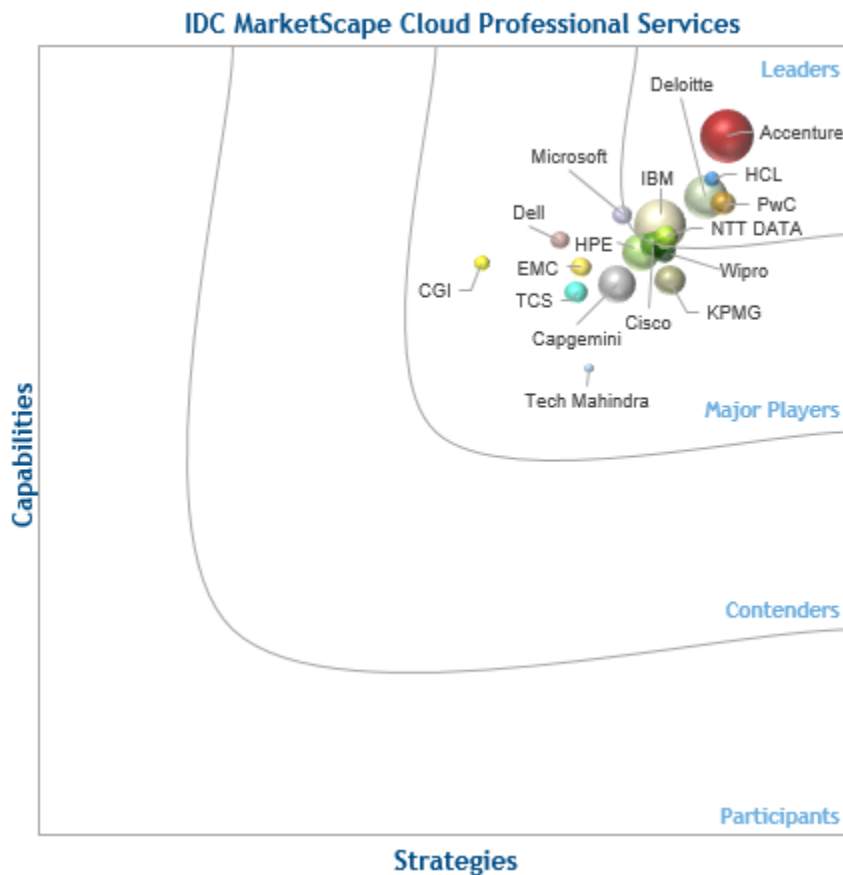
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THIS IDC MARKETSCAPE EXCERPT FEATURES: NTT DATA

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Cloud Professional Services Vendor Assessment



Source: IDC, 2016

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

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Cloud Professional Services 2016 Vendor Assessment (Doc # US40149616). 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

This IDC study represents a vendor assessment of the 2016 worldwide cloud professional services market through the IDC MarketScape model. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate its ascendancy. This IDC MarketScape covers a variety of vendors participating in the worldwide cloud professional services market. This evaluation is based on a comprehensive framework and set of parameters expected to be most conducive to success in providing cloud professional services in both the short term and the long term. A significant component of this evaluation is the inclusion of the perception of cloud professional services buyers of both the key characteristics and the capabilities of the providers evaluated in this study. Buyers were surveyed across all three of IDC's macroregions. Key findings include:

- Across all 29 strategies and capabilities assessed, the "future cost management" and "future financial/funding model" strategies were rated most highly on average across all cloud professional service providers. The strategy that received the lowest mean scores overall was "marketing strategy."
- Based on the survey feedback from 126 of the evaluated vendors' customers, the subcategory "growth strategy execution" received the highest aggregate scores. The lowest aggregate score for any subcategory was for "employee management."
- When buyers were asked what characteristics were required for a cloud professional services project to be successful at a worldwide level, two characteristics were tied at the top, "project value delivered for fee paid" and "provide functional insights and competence."

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The inclusion criteria for this IDC MarketScape consisted of two dimensions. The first was aggregate 2014 calendar year IT professional services revenue. Using the definitions detailed in *IDC's Worldwide Services Taxonomy, 2015* (IDC #254824, March 2015), IDC analysts calculated the aggregate IT consulting, systems integration, network consulting and integration, and custom application development revenue for all 50 services vendors that are tracked in IDC's Worldwide Semiannual Services Tracker. Second, the aggregate professional IT services revenue was segmented into the three macroregions of the Americas, EMEA, and Asia/Pacific. Vendors with over \$85 million of aggregate professional IT services revenue in each of the macroregions were invited to participate in this study. These criteria resulted in a list of 26 vendor candidates.

IDC analysts also estimated the top 5 cloud professional services vendors by calendar year 2014 revenue; in alphabetical order, these vendors are Accenture, Deloitte, HCL, HP, and IBM. Participation in this study for these vendors was considered involuntary; however, all willingly provided information. For those 21 vendors that met the criteria but were not determined to be in the top 5 in cloud

professional services revenue, invitations were sent and inclusion in this survey was based upon their willingness to provide information. In total, 17 vendors have been evaluated.

ESSENTIAL BUYER GUIDANCE

Advice for Cloud Professional Services Buyers

- **Vendor selection.** Use this IDC MarketScape in contract negotiations and as a tool not only to short-list vendors for cloud professional services bids but also to evaluate vendors' proposals and oral presentations. Make sure you understand where these players are truly differentiated and take advantage of their expertise, industry based or otherwise.
- **Project value and timeline.** Include vendor performance on these factors among your highest selection criteria. Both these factors are rated among the top 5 in terms of importance for project success as rated by customers that were surveyed for this IDC MarketScape.
- **Engagement pricing.** Make sure you understand the nuances of alternative pricing schemes for cloud professional services, especially when a consulting or integration engagement is embedded in the pricing of related cloud services, or when financing is involved. About 80% of all cloud professional services projects are still standard time and materials or fixed-price engagements, but numerous alternative arrangements are on offer. For the 20% of alternatively priced projects, it is critical to understand how the pricing of a given engagement works and make sure it supports your overall goals.

VENDOR SUMMARY PROFILE

This section 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, challenges, and opportunities.

NTT DATA

According to IDC analysis and buyer perception, NTT DATA is a Leader in the IDC MarketScape for worldwide cloud professional services.

NTT DATA is the systems integration and services arm of NTT Group. Its cloud professional services include advisory, applications and infrastructure offers, and data virtualization services, all of which complement its operations and management of cloud solutions in various deployment models such as dedicated or virtual private, public, and hybrid clouds. NTT DATA's cloud implementation and migration service capabilities have increased over the past two years, in part because of acquisitions such as Centerstance and Carlisle & Gallagher Consulting Group (both in the United States), Buzz Solutions (Canada), everis (Spain), and iPay88 (Malaysia).

Note: The sale of most of Dell Services (i.e., legacy Perot Systems) to NTT DATA, announced in March 2016, was not a factor in this evaluation; NTT DATA was evaluated as a separate, ongoing entity.

Strengths

Buyers rate NTT DATA highly for executing on its growth strategy, its cost competitiveness, and the appropriateness and execution of its delivery capabilities. IDC rates NTT DATA highly in terms of its sales and distribution strategy, the range of its services portfolio, and its customer service strategy.

Challenges

IDC believes NTT DATA's marketing strategy could be enhanced by presenting more on its cloud professional services at cloud vendor events. NTT DATA's future offering road map could be enhanced with additional geography-specific capabilities. Finally, its go-to-market model could expand to include business outcome-based pricing for its cost of cloud professional services.

Opportunities

According to IDC's 2016 *Global Cloud Professional Services Buyer Perception Survey*, NTT DATA can further enhance its position in future related IDC MarketScape evaluations by improving its client perception in the following areas:

- Marketing
- Sales/distribution structure and capabilities
- Innovation/R&D pace and productivity

APPENDIX

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.

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 a review board 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.

Note: All numbers in this document may not be exact due to rounding.

LEARN MORE

Related Research

- *Worldwide and U.S. IT Consulting Services Forecast Update, 2015-2019* (IDC #US40715715, December 2015)
- *Worldwide and U.S. Systems Integration Services Forecast Update, 2015-2019* (IDC #US40715615, December 2015)
- *IDC FutureScape: Worldwide Cloud 2016 Predictions - Mastering the Raw Material of Digital Transformation* (IDC #259840, November 2015)
- *IDC MaturityScape: Cloud* (IDC #259534, October 2015)
- *Worldwide Digital Transformation Professional Services Forecast, 2015-2019* (IDC #259106, September 2015)
- *IDC's Worldwide IT Cloud Services Taxonomy, 2015* (IDC #258348, September 2015)
- *IDC MarketScape: Worldwide Salesforce.com Implementation Ecosystem 2015 Vendor Assessment* (IDC #255142, April 2015)
- *IDC's Worldwide Services Taxonomy, 2015* (IDC #254824, March 2015)

Synopsis

This IDC study represents a vendor assessment of the 2016 worldwide cloud professional services market through the IDC MarketScape model. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate its ascendancy. This IDC MarketScape covers a variety of vendors participating in the worldwide cloud professional services market. This evaluation is based on a comprehensive framework and set of parameters expected to be most conducive to success in providing cloud professional services during both the short term and the long term.

"When buyers were asked what characteristics were required for a cloud professional services project to be successful, at a worldwide level, the number 1 characteristic was 'project value delivered for fee paid' followed by 'provide functional insights and competence,'" said Gard Little, research director, IT Consulting and Systems Integration Strategies. "These two items indicate buyers believe success will come from a combination of consulting/technical skills and functional knowledge."

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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