A research report comparing provider strengths, challenges and competitive differentiators.

Next-Gen Application Development & Maintenance (ADM) Services

Brazil 2019

Quadrant Report

Customized report courtesy of:

Cognizant
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EXECUTIVE SUMMARY

Application Services’ Impact

What do today's business concerns – digital products, machines taking human jobs, virtual assistants, virtual reality and blockchain, among other disruptive technologies – have to do with application development and maintenance (ADM) outsourcing? Simply stated, every digital business is made of software that requires developers to scale and maintain to deliver value.

The service providers represented in this report are working daily on changing the code for the digital world. Collectively, these organizations dedicate more than 70 million hours to changing or adding new application code for Brazilian businesses every year.

ABES, Associação Brasileira das Empresas de Software (Brazilian Association of Software Companies), is the most representative organization of the software business in Brazil with close to 2,000 associates or partner companies in 23 Brazilian states plus the Federal District. These companies generate more than 200,000 direct jobs, according to ABES data published in July of 2018. This ISG’s Next Generation Application Development & Maintenance Provider Lens study assessed 37 companies that reported approximately 40,000 developers. In other words, this survey sample represents 20 percent of ABES associates’ headcount.

The market is slowly growing while changing hands. The average annual individual revenues growth among the surveyed companies is 11 percent, while the 10 best performers had an average of 31 percent growth. Five of the best growth performers have made significant improvements to their agile service offerings, although not all of them have reached the Leaders quadrant.

Several application service providers have acquired marketing and design agencies in recent years. We have not identified a correlation of these investments in design studios and the providers’ growth.

Scale, Fabric and Robots

The market is moving in the direction of automation of the application lifecycle. Application service providers are investing in platforms that accelerate application development and automate application maintenance. The development platforms use libraries, microservices, cloud, low code programming, test automation and robots for script writing. The maintenance platforms use cognitive and artificial intelligence to automate ticket classification, to run scripts that automate service delivery and to apply troubleshooting procedures.
Small and large clients’ workloads can benefit from automation to reduce costs and improve speed. With the appropriate parameterization for each client, a single platform can handle many clients on a global scale. Parameterization replaces costly tools customization. Clients share the same platform with appropriate privacy and security, which reduces adoption barriers to shared services.

The observed high level of automation trend is irreversible as it reduces costs while improving time-to-market and quality.

Agile at Scale

Agile is “de facto” standard for new application development. Traditional development still accounts for 70 percent of development revenues for the study participants and is strongly driven by the difficulty of adapting SAP and other ERP and legacy applications to agile. Providers recognize agile as the market force pushing new developments. The majority of participants can deliver new releases in a month or less.

Agile projects typically have eight to ten people working in collaboration, which imposes cultural and behavioral challenges for both service providers and clients. Scaling to hundreds of developers in large organizations is an even greater challenge. Several agile service providers have developed methodologies and identified best practices to make the change happen. In most cases, providers use the Scaled Agile Framework (SAFe®) and involve dozens of agile teams in the same client organization; in several cases, providers have reported success in delivering agile projects at scale.

A controversial debate exists regarding team location.

Clients and service providers have contradictory opinions about where to locate the development team. Some clients have persuasive arguments for setting development groups inside the clients’ offices and close to product owners. Others do not have space and prefer to locate teams in remote or offshore locations. We have seen both approaches in the case studies provided for this research. We conclude that people have opinions and arguments, but no hard data to support the decision making. Apparently, both arrangements can succeed. Some providers are hiring onshore capacity to offer in-client service delivery to avoid this controversy.

The debate between maintenance versus development has created polemics.

Another intriguing discussion is whether the maintenance backlog should merge with the agile project development sprints. One option is to add all incidents to the development backlog for prioritization and execution under planned sprints. The other option is to use Kanban for maintenance and have it segregated from development sprints. There is
no standard practice as the approach varies by client case. The discussion is passionate among agile practitioners. However, the best choice should be pragmatic, case-by-case, according to demand volumes and service level agreements.

**Design and user experience has merged into application development.**

Agile project development has incorporated design thinking and user experience (UX) methodologies into the standard agile service offering. Although some service providers can separate the design and development pricing. In general, these are considered stages under the same application development flow.

**Continuous Testing**

Testing services are gaining traction due to agile and DevOps. Automation is increasing through platforms and commercial tools, as well as service providers’ investments in proprietary tools, scripts and bot deployments on top of commercial tools and shared cloud-hosted testing platforms.

**Testing as-a-service has emerged in the cloud.**

Several service providers can offer testing in a pay-as-you-go arrangement. A client’s ability to consume testing as a service depends on the agile and DevOps maturity of its development organization. Mature organizations can create test cases in the early application design stages and therefore can use the testing platform continuously, throughout the several releases of an application lifecycle.

Test-as-a-service is usually a platform in the cloud that allows clients to avoid upfront investments in tools and installations, accelerating the testing service adoption. It does not eliminate the need for testing service providers and contractors to operate the platform.

**Application testing and digital product certification have converged.**

The most popular test-as-a-service options in the cloud are used for smartphone apps testing before distribution to marketplaces. Current platforms can simulate more than 500 devices, including several versions of smartphone operating systems.

Digital products are pushing testing service providers into the products certification market because of the digital product embedded software. Software quality is critical for digital products. Service providers that offer software certification deal directly with business organizations instead of IT departments for assurance or accreditation of payment systems, card processing, drones, self-driving car software, IoT devices, home systems and other connected devices.
Automation and cognitive technology are valuable for testing services.

Automation is essential for enabling quality assurance. The capacity to manually reproduce tests in every application release was not a problem when application deployments occurred months apart. Nowadays, digital businesses demand quick time-to-market. Releases are now two weeks to a month apart, which requires testing speed and turns automation into a critical asset. As stated before, digital products need unique software quality and security.

Automation started with non-functional testing and gradually extended to functional testing. Not all service providers can automate functional testing, but this capacity is growing with artificial intelligence and cognitive technology availability from cloud platforms. Artificial intelligence is used to automate functional testing, reproducing human test tasks (where bots replace end users). Cognitive technologies are in use to interact with test engineers and write testing scripts according to their commands. Deep learning is in use to identify patterns and suggest additional testing scenarios to the test engineer.

Artificial intelligence and deep learning algorithms are in use to reduce the number of test cases required and to optimize testing resource consumption and the time needed for application accreditation services.

DevSecOps

It's worth noting that not all service providers have DevSecOps in their methodology. DevSecOps is a concept that "everyone is responsible for security," which has emerged in the last few years. DevSecOps includes developers, production teams and the testing organization. Some testing service providers do not anticipate DevSecOps' implications. Clients contracting testing services should always remember to define what part of DevSecOps is in scope.

Banking, Financial Services and Insurance

The banking, financial services and insurance (BFSI) markets face a constant challenge from startups, disruptive technologies and competition. BFSI clients expect service providers to understand and propose solutions and services to overcome their specific market challenges. The service providers leading the BFSI market are those able to support large organizations with innovation, speed and responsiveness.

Robotic process automation is now included in applications development.

It is singular that service providers do not consider robotic process automation (RPA) a new service line or a separated service organization for implementations. Instead, RPA is included in the applications' service portfolio by most of the competitors that serve
the BFSI market. The consequence is that clients can consume RPA inside application development projects; it can be a backlog item in an agile project sprint or even an improvement under an application maintenance contract. RPA is pervasive, low cost and can be implemented quickly without the need for additional contracting terms.

BFSI companies in Brazil have a lot of internal manual operations. Banks and insurance companies evolved through mergers and acquisitions, creating a diverse and heterogeneous application landscape inside each enterprise that persists due to traditional integration projects’ cost and risk. RPA is of low risk because clients can always go back to the manual processes. RPA helps BFSI enterprises improve efficiency and competitiveness.

Open banking, microservices, platforms and blockchain are on the rise.

Application service providers are progressing with platforms that use rich libraries and enable code re-utilization, not just to accelerate development but also to facilitate business integration. Open banking is the aggregator of solutions that merge new and disruptive businesses.

Several application service providers report to have consultants and developers prepared for the delivery of blockchain applications, and providers reported a few cases and experiments. ISG has started a new research for a blockchain quadrant that is going to be published later this year in the ISG’s Provider Lens Digital Business Transformation study.

Manufacturing

Manufacturing enterprises can achieve significant efficiency improvements with cloud, IoT, Industry 4.0 and supply chain integration. Although the service providers evaluated in this quadrant have these technologies and competencies, there are very few reported cases of advanced technology being used by manufacturing companies. The manufacturing market continues to be dominated by legacy ERP systems such as SAP-ECC, the most common solution in use by large manufacturing enterprises in Brazil.

Service providers are very focused on SAP-ECC upgrades to S/4Hana and migration to the cloud. The issue is that moving to S/4Hana in the cloud opportunity cost is not attractive for several clients that see no returns coming from the upgrade.

The real benefits should come from the previously mentioned technologies and not from ERP. Augmented reality (AR) and virtual reality (VR) have very positive impacts on engineering, product development, plant maintenance, field services and other cases where AR/VR accelerates learning and improves efficiency. Industry 4.0, IoT and the integration of PIM (plant information systems) and MES (manufacturing execution systems) to mobile devices and transportation and supply chain operations can promote higher returns than its integration to ERP finance and accounting systems.

Because of service providers’ focus on ERP and their financial dependence on the ERP revenue stream, most providers have not taken the opportunity to deliver high impact transformation to manufacturing enterprises in the direction of Industry 4.0.
Introduction

In just a few short years, application outsourcing has evolved from traditional development practices into highly disruptive, agile-based operating models, making core development a direct competitive advantage for many enterprises. Of course, not all application outsourcing is the same, because not all buyers and users have the same needs. Typical application development and maintenance (ADM) services include application consulting, designing, custom development, packaged software integration, operations, quality assurance and testing. Of late, ISG has started witnessing a new breed of contracts where clients are looking to leverage software capabilities to solve business problems, gain a competitive advantage and increase speed-to-market. Service providers are augmenting their traditional ADM base with emerging technologies and collaborative frameworks to meet their client’s objectives. ISG terms such contract types as next-gen ADM contracts. This study tries to understand the client objectives and assesses provider capabilities to deliver on next-gen ADM contracts.

Definition

In just a few short years, application outsourcing has evolved from traditional development practices into highly disruptive, agile-based operating models, making core development a direct competitive advantage for many enterprises. Of course, not all application outsourcing is the same, because not all buyers and users have the same needs. Typical application development and maintenance (ADM) services include application consulting, designing, custom development, packaged software integration, operations, quality assurance and testing. Of late, ISG has started witnessing a new breed of contracts where clients are looking to leverage software capabilities to solve business problems, gain a competitive advantage and increase speed-to-market. Service providers are augmenting their traditional ADM base with emerging technologies and collaborative frameworks to meet their client’s objectives. ISG terms such contract types as next-gen ADM contracts. This study tries to understand the client objectives and assesses provider capabilities to deliver on next-gen ADM contracts.
Definition (cont.)

Scope of the Report

This study serves as an important decision-making basis for positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also leverage information from these reports in evaluating their current vendor relationships and potential new engagements.

This report evaluates service providers’ portfolio and capabilities in Brazil in 2018.

The same service providers may have different offerings and capabilities in other regions or countries.

Next-Generation Application Development & Maintenance

Like traditional application services, next-gen ADM includes consulting, design, custom development, packaged software integration, operations and testing. However, the scope, delivery mechanism and outcome for such contracts pivot around a value-based approach where the focus is on achieving enterprise agility and solving business problems. This quadrant assesses service providers based on their capability to augment traditional ADM services with emerging technologies and methodologies like agile, DevOps, automation, digital and modernization techniques to deliver application outsourcing projects. It also evaluates provider capabilities for incorporating new approaches to develop and deliver applications that focus on business outcomes.
Definition (cont.)

Agile Development

Agile development focuses on an incremental and iterative approach to application development. Agile encompasses frequent and early releases of the working software, so enterprises are viewing it as a medium for attaining enterprise agility.

This quadrant assesses the capabilities of a provider in being able to deliver tangible results through the use of various agile methodologies. It also looks at the focus a provider has towards the use of agile development concerning its overall application development practice.

Next-Gen ADM Continuous Testing

Continuous testing focuses on delivering quality assurance at speed. Regarding technology, it encompasses various aspects of automated testing such as shift-left and end-to-end automation across testing phases. However, concerning people and processes, it goes a step beyond automation testing to accomplish higher collaboration among quality assurance (QA) and development teams to sync with sprint cycles, feature-driven testing, responsiveness to change, creating a feedback loop and greater client involvement. Continuous testing is gaining momentum, especially to help enterprises keep pace with their agile and DevOps initiatives.

Service providers for this quadrant were assessed on their progress made and capabilities developed in terms of creating a continuous testing environment for their clients with measurable outcomes.
Definition (cont.)

Next-Gen ADM for the BFSI Markets

The BFSI industry includes application and maintenance services provided to banking, diversified financial and insurance companies. This quadrant assesses the strength of providers that provide next-gen ADM services to BFSI industry vertical.

Next-Gen ADM for the Manufacturing Markets

The manufacturing industry includes services provided to conglomerates, capital goods, construction, consumer durables (like automotive or household appliances), aerospace and defense, materials, semiconductors, technology hardware and equipment and trading companies. This quadrant evaluates the strength of providers that provide next-gen ADM services to the manufacturing industry vertical.
Provider Classifications

The ISG Provider Lens™ quadrants were created using an evaluation matrix containing four segments, where the providers are positioned accordingly.

**Leader**
The “leaders” among the vendors/providers have a highly attractive product and service offering and a very strong market and competitive position; they fulfill all requirements for successful market cultivation. They can be regarded as opinion leaders, providing strategic impulses to the market. They also ensure innovative strength and stability.

**Product Challenger**
The “product challengers” offer a product and service portfolio that provides an above-average coverage of corporate requirements, but are not able to provide the same resources and strengths as the leaders regarding the individual market cultivation categories. Often, this is due to the respective vendor’s size or their weak footprint within the respective target segment.

**Market Challenger**
“Market challengers” are also very competitive, but there is still significant portfolio potential and they clearly lag behind the “leaders”. Often, the market challengers are established vendors that are somewhat slow to address new trends, due to their size and company structure, and have therefore still some potential to optimize their portfolio and increase their attractiveness.

**Contender**
“Contenders” are still lacking mature products and services or sufficient depth and breadth of their offering, while also showing some strengths and improvement potentials in their market cultivation efforts. These vendors are often generalists or niche players.
Rising Star

Rising Stars are mostly product challengers with high future potential. When receiving the “Rising Star” award, such companies have a promising portfolio, including the required roadmap and an adequate focus on key market trends and customer requirements. Also, the “Rising Star” has an excellent management and understanding of the local market. This award is only given to vendors or service providers that have made extreme progress towards their goals within the last 12 months and are on a good way to reach the leader quadrant within the next 12-24 months, due to their above-average impact and innovative strength.

Not In

This service provider or vendor was not included in this quadrant as ISG could not obtain enough information to position them. This omission does not imply that the service provider or vendor does not provide this service.
### Next-Gen Application Development & Maintenance (ADM) Services Cross-Quadrant Provider Listing 1 of 3

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**ISG Provider Lens™**

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Next-Gen Application Development & Maintenance (ADM) Services Quadrants
Definition

The next-generation application development and maintenance service includes consulting, design, custom development, packaged software integration, operations and testing. The scope, delivery mechanism and outcome for such service contracts pivot around a value-based approach where the focus is on achieving enterprise agility and solving business problems. This quadrant assesses service providers based on their capability to augment traditional application services with emerging technologies and methodologies such as agile, DevOps, automation, digital and modernization techniques to deliver application outsourcing projects. It also evaluates provider’s capabilities for incorporating new approaches to develop and deliver applications that focus on business outcomes.
Accenture has four delivery centers in Brazil and a robust application management practice focused on large enterprises.

Capgemini has eight delivery centers in Brazil and a large client footprint in several market segments from large to midsized enterprises.

FH is a rapidly growing company that is highly focused on ERP, tax compliance and e-commerce solutions.

IBM is present in several market segments and has strong partnerships to deliver a broad application services portfolio.

NTT DATA - everis is evolving in the use of advanced technologies for application development, testing and maintenance.

Softtek has a robust applications practice to reduce incidents and improve application reliability.

Tech Mahindra has a solid ERP-installed base in large and midsized companies in several vertical markets.

Wipro is expanding through acquisitions, automation and the leveraging of its offshore capacity.

Rising Star: Cognizant entered the Brazilian market in 2009 and lately has been evolving and making significant market share gains in the financial services market.

Rising Star: Infosys merged with Loadstone a few years ago and is consolidating its position as a relevant provider in Brazil.
ACCENTURE

Overview

Accenture has four delivery centers in Brazil and 449,000 employees worldwide. The company does not disclose its local revenue and headcount, but clients and competitors recognize it as the most relevant service provider. Accenture acquired several companies in Brazil in the last three years, including AD.Dialeto and Concrete Solutions.

Strengths

Strong ERP capabilities: Accenture’s implementation experience, partnership levels and practice size for the entire SAP portfolio are unique. Accenture has more than 46,000 SAP-trained FTEs. The company has been involved in many SAP implementations and has 17 SAP solution innovation centers globally. Accenture develops intellectual property that accelerates projects and innovation deployments, allowing clients to leverage existing proprietary applications that enhance SAP products. Accenture can deliver several of Oracle’s ERP solutions with a similar set of accelerators.

Extensive portfolio and partnerships: Accenture’s broad range of partners includes AWS, Apple, Google, Microsoft, Oracle, Pegasystems, Salesforce, SAP, Workday and others. Accenture has approximately 7,000 FTEs dedicated to SaaS-based development. Accenture’s mature development practice allows clients from Brazil to access and use global delivery centers if critical resources are not available in its four Brazilian centers.

Robust application management services: Accenture replaced its traditional offering with the Liquid Application Management service. Accenture’s new offering is a continuous service that consists of end-to-end, cross-functional agile product teams and DevOps for applications across multiple lines of business. Accenture can modernize and move its client’s applications portfolio to any platform or its preferred Accenture Cloud Platform (ACP). The modernization includes Lean practices, robotic process automation (RPA), artificial intelligence (AI) and the use of cloud-based components to leverage IaaS and PaaS benefits.

Caution

No Brazilian case studies exist for Accenture myWizard automation platform. Accenture myWizard supports the Liquid Application Management service.

2019 ISG Provider Lens™ Leader

Accenture’s end-to-end digital portfolio, industry-specific solution capabilities and technology-aligned delivery strength form a tripod to support its clients’ digital journeys.
Capgemini's strength lies in its capacity to integrate and transform complex environments to modernize and secure the client's applications portfolio.

Caution
Capgemini's annual report shows a 4 percent revenue increase after several acquisitions in 2016 and 2017. Some competitors published higher revenue growth figures. The employee attrition rate for Capgemini was higher than its peers in 2017. The incorporation of companies without revenue increase indicates that Capgemini is replacing its portfolio to adapt to the changing business environment. Clients should provision contract terms to accommodate future changes in scope over the contract life.

Capgemini's annual report shows a 4 percent revenue increase after several acquisitions in 2016 and 2017. Some competitors published higher revenue growth figures. The employee attrition rate for Capgemini was higher than its peers in 2017. The incorporation of companies without revenue increase indicates that Capgemini is replacing its portfolio to adapt to the changing business environment. Clients should provision contract terms to accommodate future changes in scope over the contract life.

Capgemini is a global company headquartered in France that operates in 40 countries with 200,000 employees. Application services represent 62 percent of its €12.7 million revenue. Capgemini has eight delivery centers in Brazil.

Strengths

Exceptional delivery capabilities: With more than 4,000 developers in Brazil and mature processes to transfer workloads to 100 delivery centers across the globe, from Argentina to India, Capgemini is capable of delivering a full range of technologies. The global organization claims to have employees from more than 120 countries and is proud of promoting diversity. For clients, quantity and diversity mean it is easier to conceive new ways of doing and developing innovative solutions.

Next-gen applications development and maintenance platform: Capgemini invested in developing its own set of tools and platforms. For diagnosis and planning, it uses the Application Portfolio Management (eAPM) and the Wide-angle Application Rationalization Program (WARP). The CAST tool from a partner industrializes applications, and Capgemini’s Rightshore® Delivery Centers gets the visibility to measure and improve software quality. AutomationDrive® is used to automate applications. This industrialization introduces artificial intelligence, robotic process automation, DevOps and application performance management to deliver a massive reduction of incidents and consequent cost savings.

Applied Innovation Ecosystem (AIE): Capgemini provides access to an ecosystem of startups, accelerators, incubators, strategic technology and business partners to introduce innovation. AIE is a framework that leverages tool suites and methods, accelerators and design thinking, all under a governance model. AIE aligns Capgemini's 11 exchange centers around the world and vertical-specific centers of excellence (CoE). These COEs are named Cells, CENTS, Crescent, CHROME and Calorie respectively for life sciences, tax and social services, consumer products and retail, automotive and manufacturing, and energy and utilities.
FH

Overview

FH is a Brazilian company founded in 1999 in Curitiba, Paraná. FH is a streamlined organization that operates through eight delivery centers located in the cities of Curitiba, São Paulo, Porto Alegre, Joinville, Rio de Janeiro, Brasilia, Stuttgart (Germany) and Madrid (Spain).

FH has delivered more than 2,000 SAP and Hybris projects in 30 countries in Europe, North and South America and Asia.

Strengths

Unique e-commerce expertise: FH has considerable experience on large B2B and B2C e-commerce projects using SAP-Hybris (recently renamed to Cx4Hana). FH has all SAP Hybris certifications including PCoE for supporting the product. Implementations are fully integrated with ERP solutions for consistent omnichannel customer experience for retail clients.

Product development expertise: FH applies modern software engineering techniques with professionals certified from Microsoft, IBM, Oracle, Sybase, VMware and others. Clients can benefit from the company’s expertise acquired through its development of Camaleo, a platform for application development, Flieger Commerce on top of the Hybris platform, and from its GUEPARDO tax solution that has dominated the Brazilian ERP market in recent years due to the compliance level it can deliver.

Agile SAP implementation: FH is an SAP Gold Partner and has been recognized many times by SAP. FH applies its experience gained with agile projects and product development to S/4HANA migrations and new implementations. Accelerators and the integration with its e-commerce platform and tax solution allow clients to acquire a robust solution in agile, short duration projects.

Caution

FH is a fast-growing company with high aspirations that has not encountered its limits. Clients should monitor project performance closely, as limitations in complexity and size are yet to emerge with FH.
IBM Brazil has delivery centers in Belo Horizonte, Rio de Janeiro, Hortolândia, Sao Paulo and Porto Alegre. IBM does not disclose its headcount. IBM’s application management service delivers system integration, application management, maintenance and support services for packaged software, as well as custom and legacy applications. IBM believes value is delivered through advanced capabilities in areas such as security and privacy, application testing and modernization, and cloud application migration and automation.

Robust portfolio: IBM offers next-generation application development and maintenance services for all technologies, which positions the company high in the portfolio attractiveness axis. IBM’s support for open-source and all major vendors’ packages also contributes to its leadership. Clients that require contractual maintenance support for Linux, Apache and other open-source products should always consider IBM.

Automation tools and accelerators: IBM has developed tools and accelerators for many ERP and CRM products. IBM has integrated application management automation with the Watson platform, which reduces the number of level one tickets through end-user assistance and executes automated ticket resolution using cognitive agents, robotic process automation and dynamic self-healing. Chatbots and RPA automate service requests. The IGNITE testing solution uses cognitive and automation functions to improve application reliability.

Professional expertise in Brazil: IBM has one of the top three professional networks in Brazil, combining employees and partners to deliver applications. Using Watson, IBM recently showcased relevant and affordable automated cognitive solutions that are finally able to understand and respond in Portuguese, including Brazilian regional variations of accents and vocabulary. Some solutions were developed and are maintained by IBM partners.

IBM application revenues grew 2 percent in 2017, less than its competitors.

IBM has a clear message around its business transformation capabilities. Clients should be aware that Global Business Services (GBS) - IBM’s Business Consulting Division - also provides application maintenance services and should be considered a competitive option to legacy outsourcing replacement.

IBM is reinventing itself to stay ahead of the competition. Recent cases in Brazil demonstrate IBM’s capacity to deliver innovation at scale.
everis became part of NTT DATA Group in 2014. everis operates in 16 countries and has 19,000 professionals across Europe, the U.S. and Latin America. In 2017, everis passed $1 billion in revenue. In Brazil, everis has offices in São Paulo and Rio de Janeiro and a delivery center in the city of Uberlandia, in the state of Minas Gerais.

**Strengths**

**Proprietary tools for the application lifecycle:** everis has developed tools and frameworks for software engineering. Its Customer User Experience Engineering (CUE2) involves customers throughout the development cycle for continuous feedback. CUE2 leverages design thinking by integrating experience engineering with agile and DevOps. Emotion Centric Observation (ECO) captures end user pain points while using an application. Smart Integrated Migration Framework (SIMF) can carry out migrations for operating systems, application server and application frameworks. SIMF currently has a 100-percent automated assessment for Java, .Net and VB6 application code.

**Application management focus:** everis centers its efforts on optimizing the applications landscape. Its Global Management One platform combines robotic process automation and virtual agent solutions to reduce application operations costs. everis maintains premier strategic partnerships with IPsoft, Blue Prism, Automation Anywhere, Pegasystems and Arago. It has more than 250 automation engineers focused on proprietary solutions development. Clients’ applications are analyzed continuously, enhanced and automated to reduce costs and improve customer experience.

**Proactive move to continuous delivery:** everis has embraced the concepts of continuous coding, testing and deployment and it plans to move all of its clients to this new way of managing applications. It is merging projects, enhancements and maintenance into a single thread of continuous delivery, consolidating the concept of next-generation application development and maintenance. everis is pushing itself through its digital transformation.

**Caution**

In Brazil, everis offers custom developed applications, web development, mobility, apps, CRM, analytics, artificial intelligence and supply chain solutions. everis is the only leader that does not have SAP implementation and migration services in its Brazilian offerings.

NTT DATA has not interfered in everis’ operation in Brazil so far. Although we expect that NTT DATA’s contribution will be beneficial to everis’ expansion in the region, clients should monitor how the company changes its portfolio as NTT DATA brings in new services and capabilities.
SOFTTEK

Overview

Softtek is a global service provider headquartered in Mexico with operations in 20 countries with 15 delivery centers. Softtek Brazil has offices in four states and two delivery centers. Its application development and maintenance service portfolio offering is stronger for ERP and CRM, with analytics, artificial intelligence and IoT around these knowledge areas.

Strengths

**FRIDA and DIEGO automation platforms:** Framework for Intelligent Digital Automation (FRIDA) is a cognitive computing platform that runs the services of Microsoft, Google and SAP and coordinates robotic process automation, chatbots, self-healing, automated testing and DevOps. Digital Enablers for Growth (DIEGO) allows the integration of several platforms and solutions, including IoT and B2C platforms, tools for smart cities, gamification, augmented reality (AR) and virtual reality (VR).

**Zero-defect operation target:** Softtek is using automation and Lean to reduce defects to zero, or as close to zero as they can be. Softtek’s methodology is data-driven and quality-focused, with an automation-first mindset. Softtek's strategy centers on three obsessions: transform people-driven solutions to process-driven ones; replace chaotic, ad-hoc improvement decisions with a predictive, data-driven improvement process, and reengineer manual operations to automation with digital governance.

**Consistent SAP services delivery:** Softtek has been implementing and supporting SAP in Brazil for more than 20 years and is a certified Partner Center of Expertise (CPoE). Softtek balances revenues from implementation and maintenance services, with positive client feedback. Softtek scored above average in ISG's 2018 Voice of the Customer Study. The company applies problem management processes and can commit to incident reduction targets or outcome-based contracts.

Caution

Softtek does not have a business consulting practice. Clients looking for digital journey transformations may need to bundle Softtek’s offerings with specialized consulting.

2019 ISG Provider Lens™ Leader

Softtek is committed to leading-edge technology applied to ERP to elevate the systems’ landscape to next-generation applications running on digital platforms.

*imagine your future*
Tech Mahindra (TechM) is a $4.9 billion company with more than 107,000 professionals in 90 countries, providing solutions to more than 800 customers worldwide. Present in Brazil since 2006, Tech Mahindra has centers of excellence and service delivery facilities in São Paulo and Rio de Janeiro.

Tech Mahindra is increasing its Brazilian portfolio for development and maintenance services for Microsoft, dotNet, Netweaver, Oracle, Java and other technologies, as well as SAP and Oracle implementations.

Experience and end-to-end solution: Tech Mahindra provides support to more than 25,000 global users, including implementation, maintenance, system administration, SAP BASIS support and data center services. In Brazil Tech Mahindra has more than 70 SAP clients and is an SAP Partner Center of Expertise (PCoE) to provide product support. Its service portfolio includes automation with artificial intelligence for incident management and infrastructure operations. Solutions include Oracle, Microsoft and RPA technologies.

Capacity, scale and automation: Tech Mahindra Brazil is among the top 10 application service providers by number of professionals, and its global delivery centers can respond to workload variations. Scale is accomplished through its AQT automation framework. TACTIX provides ticket scrapping for auto-ticket distribution. UNO is used for robotic process automation for operations. TechM has many proprietary assets to support operations. ADOPT integrates DevOps for IBM, MS, CA, HP, CollabNet and JIRA. FixStream Meridian™ consolidates analytics in a single panel. Epselon workload analytics works for SAP and Oracle EBS. LitmusT test automation is a platform using AI. Entellio is a chatbot. PRISM is an analytics platform. Acumos enables rapid build, share and deployment.

Experienced staff and client focus: Tech Mahindra values long-lasting relationships and so trains its personnel to focus on client satisfaction. The average years of experience of TechM's practitioners is higher than the average of organizations that participated in this study. The company reported that no contracts were canceled in the past year.

Caution

Although Tech Mahindra has an extensive global portfolio, in Brazil it has a large SAP client base. Clients willing to explore innovation using other technologies should invite Tech Mahindra to add its newer alternatives to the existing development and maintenance contract.
Wipro is a global service provider with approximately $6.9 billion in revenues. It is present in 60 countries with more than 145,000 employees. The Brazilian head office is in São Paulo, with delivery centers in the cities of São Paulo, Osasco and Curitiba. Wipro has more than 1,400 employees in Brazil and plans to expand its presence in the region.

**Strengths**

**Robust ERP capabilities:** Wipro can implement, maintain and support Oracle (JD Edwards, EBS, ATG, PeopleSoft, Retek, Iflex), Microsoft Dynamics, SAP and other ERP solutions. The company has the highest partnership levels with global vendors, including SAP's Global Strategic Services Partner and Oracle's Diamond-level partner designations.

**Vertical industry coverage and scope:** Wipro has reference cases in banking, insurance, healthcare, manufacturing, energy, CPG, retail, telecommunications and government verticals. Its range of services includes regular projects, agile development, testing, ERP and emerging technologies. The company has more than 200 professionals for business intelligence and can leverage the Wipro HOLMES™ platform for analytics and robotic process automation.

**Momentum and great expansion:** Wipro is winning new contracts with renowned business organizations from competition. The company has a relatively stronger presence in the finance sector because of its focus when entering the Brazilian market and in retail because of its Oracle specialization. Recent deals show Wipro is growing its manufacturing vertical in Brazil's southern region. Wipro is growing faster than its competitors, and clients can benefit from its willingness to improve its footprint.

**Caution**

Wipro has aggressive growth expectations for Brazil. Clients that promote competitive bidding processes may get discounted fees for projects and most likely for maintenance services, which is Wipro's main service focus. Clients should be aware that aggressive saving targets contracts may take longer to stabilize because of the time required to implement automation and process improvement to achieve quality at low cost.
RISING STAR: COGNIZANT

Overview

Cognizant is a public company that reached a $14.8 billion revenue and 260,000 employees at the end of 2017. Cognizant has operated in Brazil since 2009. Cognizant aims to transform its clients' portfolio via its zero-maintenance framework that emphasizes reducing run cost, optimizing change and delivering business outcomes. The company proposes a phased approach based on identifying and eliminating application debt.

Cognizant has an attractive portfolio, and it is growing its presence in the Brazilian financial industry is moving the company in the direction of the Leader's quadrant.

Strengths

Comprehensive digital-ready program: Cognizant has a three-step process for helping clients reduce their legacy debt and become digital-ready. The first step is called “Simplify” and is intended to unlock value and enable clients to run better on an efficient IT backbone. The second is “Modernize,” which prepares for the change, enhancing the organization to be nimble and agile so it is able to execute a seamless digital shift. The third is “Secure,” to strengthen the core, improve resilience dictated by new requirements and threats, and prepare to handle vulnerabilities.

Application management automation: Cognizant HIVECenter™ is an integrated portfolio of services, platforms and solutions to bring together collective automation capabilities for any given business and IT scenario.

Business value management (BVM) framework: This comprehensive blueprint takes a holistic view of the ecosystem to create synergy across applications, infrastructure and business processes. The framework charts a transformation roadmap to deliver business outcomes to achieve improved business performance.

Caution

Globally, Cognizant's depth and breadth of services are most visible in the banking, financial services and insurance (BFSI), and healthcare industries. The company also has moderate industry-related capabilities for the manufacturing, CPG and retail, media and communications verticals.

The company has experience in Brazil and is expanding into the banking and financial services markets. Clients from other market verticals should introduce Cognizant services gradually, monitoring how the company evolves its experts’ capabilities for specific industry requirements.

2019 ISG Provider Lens™ Rising Star

Cognizant has a consistent toolset to modernize and introduce artificial intelligence and robotic process automation into its clients' applications.
RISING STAR: INFOSYS

Overview
Infosys is a global service provider based out of India with $10.9 billion in revenue and more than 200,000 employees. Infosys helps businesses accelerate time-to-market by reducing time spent across all stages of the application development lifecycle through automation, intellectual property and open-source and licensed third-party tools. In Brazil, Infosys has delivery centers in Belo Horizonte, São Paulo and Araraquara (in São Paulo state).

Infosys has optimistic growth targets for Brazil and gradually will offer its international service portfolio to expand its local presence, moving in the direction of a leadership role in the Brazilian market.

Strengths

Efficiency for S/4HANA: Infosys has a variety of tools and accelerators for SAP products. S/4HANA Assist is used for rapid assessments. Infosys Nia leverages machine-learning algorithms to provide IT landscape insights. Infosys Catalyst has preconfigured solutions for the CPG, pharmaceutical, oil and gas and retail industries. Clinical Trial Supply Management Solution is preconfigured for medical device companies. Project tools include Infosys HANA CMO Tool, IDSS migration tools, ISCON portal, ValuePLUS for KPI dashboards and Infosys ProcureEdge. For Brazil, Infosys has localized preconfigured solutions including tax add-ons that are compliant with many city and state regulations.

On-premise and remote capacity: Infosys has two delivery centers in Brazil that can provide affordable services. Workloads can be transferred to Indian or Latin American delivery centers if necessary. Having a dedicated staff inside clients' facilities is a common practice. Infosys can provide S/4HANA running on AWS, Azure or SAP Cloud and has centers of excellence for additional support.

Full service application maintenance and cloud: Infosys' revenue from support and maintenance exceeds its project revenue, meaning Infosys has a strong focus on continuous services. The company is capable of supporting ERP and CRM running in the cloud, including cloud IaaS operations. Infosys offers a one-stop-shop for application development, maintenance and infrastructure operations.

Caution
In Brazil, Infosys has an intense focus on S/4HANA and peripheral solutions. The Brazilian consulting organization is gradually bringing in innovations from delivery centers abroad. Clients that instigate Infosys' local delivery team to improve automation and innovation may discover attractive deals in return.
AGILE DEVELOPMENT

Definition

Agile development focuses on an incremental and iterative approach to application development. Agile encompasses frequent and early releases of the working software, so enterprises are viewing it as a medium of attaining enterprise agility.

This quadrant assesses the capabilities of a provider for being able to deliver tangible results through the use of various agile methodologies. It also looks at the focus a provider has towards the use of agile development concerning its overall application development practice.

In Brazil, we identified several agile service providers that have design and user-experience capabilities; however, these are not considered prerequisites for participation. Service contract types range from staff-augmentation to POD-based, yet fixed-price is the most common practice. Service providers that showed the capacity to help clients evolve agile for large development groups received higher scores in the evaluation.
Observations

- CI&T is a leader, consistently growing in agile development focused on POD-based engagements.
- IBM has a practice based on product development and its digital lab, leveraging its technology innovation experience.
- NTT DATA - everis created its solution based on continuous delivery and integration, offering a robust agile platform.
- Stefanini developed an agile offering with transformational capabilities that scales for large organizations.
- Wipro offers a smooth transition from waterfall to agile, leveraging its international experience and instrumentation competencies.
- Rising Star: Softtek is evolving its automation and cognitive tools for agile and continuous delivery platforms around a solid vision for growth.
CI&T

Overview

CI&T is a service provider specialized in design thinking, lean digital transformation and advanced technologies. Founded in 1995 in Brazil, CI&T has 2,500 employees in the U.S., Brazil, U.K., Australia, Japan and China. CI&T is the leader in agile development services in Brazil.

Strengths

Stable methodology: CI&T developed a proprietary process called Lean Pod™ that is inspired by Scaled Agile Framework (SAFe®), Lean IT, design thinking, design sprints and Lean UX approaches. Lean Pod™ is a small team of digital practitioners (strategists, engineers and designers) working together to capture ideas for rapid prototyping and to accelerate the delivery of large and complex digital products.

People development: CI&T spends a reasonable amount of effort on training its personnel and clients to achieve the desired collaboration behavior. CI&T claims to have a radically different approach to find, grow and keep staff, and states, “We develop people before we develop software.” The consequence to client organizations is an improved throughput for new software products.

Proven agility and capacity: CI&T can reference clients in many geographies and industry verticals. In 2017, CI&T acquired Comrade, a strategy and customer experience design agency in San Francisco. In Japan, CI&T has a joint venture with Rococo, a Japanese software development company. CI&T is a Google Premier Partner and uses open-source technologies, including Magento and Drupal. CI&T uses its agility to develop new accounts, explore new markets and partner with local experts, which has allowed the company to grow its revenue for 20 consecutive years.

Caution

CI&T’s commercial practice scores with its Lean Pod™ methodology. The company does not work under time and materials (T&M) payment terms and cannot respond to ad-hoc requisitions for staff augmentation. Clients that cannot adapt to agile POD structures will find CI&T inflexible.

2019 ISG Provider Lens™ Leader

CI&T has a leadership position in the Brazilian market and is one of the best options to develop digital solutions for advanced enterprises.
IBM

Overview

IBM separates agile offerings into two groups: consulting and enablement. Consulting services focus on the CxO and the advantages of using agile, with a transformational offering designed to create actionable outcomes that build internal agile capabilities and organizational change management to achieve the target operating model. IBM’s offering proposes an agile-first environment that leverages scale and speed. The agile frameworks often used are SAFe, Nexus, LeSS and optionally DA.

Strengths

Variety of tools and options: IBM has a comprehensive portfolio of proprietary and open-source tools and has most of the partnerships needed for a modern agile organization. For example, it can apply Docker for multi-platform, multi-container workloads across hybrid infrastructures, including IBM Z mainframes. Its tools include Puppet, Ansible, Jenkins, Git, SonarSource, Chef, Splunk and Maven.

Team experience and capacity: IBM has hundreds of trained experts in Brazil. The company itself has been through a successful agile transformation in Brazil and Latin America and can share its experience with clients.

Innovation ecosystem: IBM’s portfolio is attractive for clients looking for agile as a tool for innovation and design of new digital products. IBM Labs provides the ideation environment and design thinking services to conceive innovative software products. IBM has a curated set of partner startups that can be integrated as-a-service to a client’s applications through IBM Cloud, or partners can be hired to develop innovative components, plugins or solutions. The IBM Cloud development platform can be used to support agile development teams, as well as IBM continuous testing that can be consumed as-a-platform or contracted as managed services.

Caution

IBM organizes its agile services around consulting and advisory for an organizational transformation to agile. Clients that already made the transition to agile should negotiate with IBM to focus on service management rather than advisory services.
NTT DATA - EVERIS

Overview

everis became part of NTT DATA Group in 2014. everis operates in 16 countries and has 19,000 professionals across Europe, the U.S. and Latin America. In 2017, everis passed $1 billion in revenue. In Brazil, everis has offices in São Paulo and Rio de Janeiro, a Cyber Defense & Infrastructure Management Hub in Alphaville and a delivery center in the city of Uberlandia, in the state of Minas Gerais.

Strengths

Proactive move to continuous delivery: everis has embraced the concepts of continuous coding, testing and deployment, and it plans to move all of its clients to this new way of managing applications. The company is merging projects, enhancements and maintenance into a single thread of continuous delivery, consolidating the concept of next-generation application development and maintenance. everis is undergoing its own digital transformation.

Short release cycles: everis agile teams release code every two weeks for 46 percent of its projects – a fast delivery rate within the group of service providers benchmarked. Fast release cycles mean fast time-to-market for digital business. everis has a mature continuous testing automation practice to support the speed of quality code deployment.

Agile center of excellence: To meet client needs, everis has an agile center of excellence (CoE Agile) to serve companies in the telecommunications, banking, manufacturing, energy, healthcare and government sectors. For Brazil, the company expects to achieve 70 percent of its contracts running under agile. Its focus is on digital transformation and developing a new business model for everis’ clients.

Caution

everis has an active practice for agile and continuous testing with just a few engagements where it runs DevOps.

In Brazil, everis offers custom developed applications, web development, mobility, apps, analytics, artificial intelligence and supply chain. In a few cases, everis is using agile for packaged applications.

2019 ISG Provider Lens™ Leader

everis has a complete solution for continuous delivery for an agile digital business that clients can leverage to speed up the digital transformation.
STEFANINI

Overview

Stefanini is a Brazilian multinational company founded in 1987. It operates in 40 countries and four continents with 24,000 employees. The company has created the Digital Studio, its division dedicated to agile delivery, under the Application Services business unit. Digital Studio has approximately 80 active clients from large organizations, including financial institutions. Digital Studio has strengthened Stefanini’s leadership position for agile at scale.

Strengths

**Stefanini Digital Studio:** Stefanini has created a proprietary agile methodology for large enterprises. Digital Studio has three stages. Stefanini Dive instigates ideas to deliver prototypes after five business days. Deep Dive takes prototypes and transforms them into viable products. Submarine builds the integrations and improvements to scale the application. For each stage Stefanini defines business indicators, such as time-to-market, financial results, user adoption, utilization increases and loyalty to measure applications by their outcomes.

**Transformational approach:** Stefanini works with an entire existing area and applications portfolio. The implementation of the Digital Studio includes change agents, partners, accelerators and client workshops to transform application governance. Stefanini develops a new client’s structure based on Scaled Agile Framework (SAFe).

**A practical approach for transformation:** Stefanini’s service approach was developed to serve large, complex organizations. By using the Value Engineering (VE) methodology to measure and show clients the outcomes of application changes and improvements, clients become aware of cost versus value. Often the entire project and backlog priority change, improving the aggregated business value of the entire applications portfolio.

Caution

Stefanini has a small continuous testing organization compared to its agile development team. Large clients willing to have a single service provider for agile development, testing and DevOps will find that Stefanini may require extra time to incorporate additional testing capabilities to match its agile organization size.

2019 ISG Provider Lens™ Leader

Stefanini has a comprehensive yet practical approach for large agile implementations to provide a smooth transformation for complex enterprises.

Imagine your future®
WIPRO

Overview

Wipro is a global service provider with approximately $6.9 billion in revenue. It is present in 60 countries with more than 145,000 employees. The Brazilian office is in São Paulo. Wipro plans to migrate most of its engagements to agile when its clients' technology is appropriate. Wipro's agile methodology is called 3D and is based on the Scrum, Extreme Programming (XP) and Lean frameworks.

Strengths

**Agile transformation capabilities**: Clients in Brazil are relatively new to agile. Wipro's focus on transitioning its clients to agile using its certified and experienced coaches to help overcome the cultural challenges and other impediments to agile adoption. Wipro offers agile applications managed services with Scrum or Scaled Agile Framework (SAFe) for development and Kanban/Scrumban for maintenance services.

**Tools and automation**: Wipro has automation tools and the advanced continuous testing practice required to support agile at scale with short release cycles to deliver business agility. Wipro has specializations to support tools like Docker, Puppet, Ansible, Jenkins, SonarSource, Chef, Splunk, SaltStack, Logstash, Automic, Artifactory and others.

**A solution for large enterprises**: Wipro's methodology and tools are designed to scale and can be applied to the insurance and finance vertical markets, where enterprises are known to have large development organizations and complex, integrated systems. Wipro's strategy for Brazil is to work close to clients, and therefore agile teams are in the country and may even be in client facilities with little or no work done offshore.

Caution

Wipro has not fully adopted a POD-based pricing model. Clients should monitor how Wipro's pricing practice evolves toward product-based or outcome-based types of engagements that reduce clients’ risks.

2019 ISG Provider Lens™ Leader

Wipro’s agile services are a good fit to scale and transform an entire development and maintenance organization to an agile business delivery center.
RISING STAR: SOFTTEK

Overview

Softtek is a global service provider headquartered in Mexico with operations in 20 countries with 15 delivery centers. Softtek Brazil has offices in four states with two delivery centers.

Softtek's team has more than a decade of experience in agile methodologies, with more than 80 Scrum masters and 500 agile practitioners in the region.

Strengths

Client focus and service agility: Agile development is integrated with testing services and platform management to provide a differentiated client experience. The company nurtures long-lasting client relationships. Softtek's internal organization is flat, allowing clients to escalate problems fast if necessary. The flat organization and its client focus enable Softtek to adapt its services and customize its offerings to clients' needs.

Automation mindset: Softtek's agile service has four directives: DevOps, Code, SAFe and nearshore. Projects are organized in agile PODs to privilege automation of unit, functional and security testing, code analysis for quality, automated environment provisioning and continuous deployment in a DevOps-first mindset. Softtek uses automatic code generation based on functional patterns and prototyping languages to speed the development of applications from scratch. The company implements Scaled Agile Framework (SAFe®) in client organizations or in Softtek's nearshore development centers that provide distributed agile teams within the same time zone.

Continuity and application lifecycle: Softtek is guided to managing the entire application lifecycle. Although the client's relationship can start with an agile project, Softtek's desire is to develop the automation landscape for continuous delivery and to keep managing the application evolution, including new developments and corrective maintenance.

Caution

Softtek is good at optimizing processes and streamlining costs, and these characteristics create a limit to absorbing demand volatility. Clients looking at agile to handle short-term demands or to quickly deliver non-repeatable backlogs will not find Softtek inclined to take the opportunity.
**NEXT-GEN ADM CONTINUOUS TESTING**

**Definition**

Continuous testing focuses on delivering quality assurance at speed. Regarding technology, it encompasses various aspects of automated testing such as shift-left and end-to-end automation across testing phases. However, concerning people and processes, it goes a step beyond automated testing to accomplish higher collaboration among quality assurance (QA) and development teams to synchronize with sprint cycles, feature-driven testing, responsiveness to change, creating a feedback loop and greater client involvement.

Continuous testing is gaining momentum, especially to help enterprises keep pace with their agile and DevOps initiatives.

Service providers for this quadrant were assessed on their progress made and capabilities developed in creating a continuous testing environment for their clients with measurable outcomes.

**Next-gen Application Development & Maintenance (ADM) Services Continuous Testing**

Source: ISG Research 2018
**Observations**

- Capgemini has many years of experience in application testing and is evolving towards automation for its large installed base.

- Cognizant is a new player in the Brazilian testing services market that leverages its international experience and technology for testing services.

- DXC Technology is continuously improving its automation technology and is a thought leader with its testing-as-a-service platform.

- Inmetrics has consistently grown for many consecutive years and has achieved capabilities comparable to large service providers.

- NTT DATA - everis has a sophisticated automation platform for testing and continuous delivery for demanding clients.

- Wipro has made a robust investment in automation, artificial intelligence and cognitive technologies to scale continuous testing services.

- Rising Star: Softtek is developing its market presence with the use of its automation platform for application development and testing.
CAPGEMINI

Overview

Capgemini is a global company headquartered in France that operates in 40 countries with 200,000 employees. Application services represent 62 percent of its €12.7 million revenue. Capgemini's has its Rightshore© Testing Center of Excellence and domain expertise in India and has nearshore facilities in Eastern Europe, Spain and South America, including delivery centers in Brazil.

Strengths

24-by-7 delivery capabilities: Capgemini's Rightshore© can scale global resources. An extensive offshore capability balances onshore and onsite client teams. The company has 6,400 test specialists worldwide and 11,000 application testers available when needed. Capgemini benchmarks data from more than 400 global organizations to identify market trends in testing technologies, processes, organizations, outsourcing and economics.

Testing automation platform: Capgemini has developed tools to support testing automation. They include TMap® for structured testing, the TPI® model for assessing and improving test processes and Quality Blueprint for accelerated implementation. The company applies automation to its Agile Managed Testing Services to deliver agility and assure quality in agile environments.

Analytics and predictive R&D: Capgemini is investing in artificial intelligence (AI) to increase testing automation. AI accelerates test case and data analysis, reduces the number of test executions and improves testing coverage. Capgemini is developing solutions for IoT testing, big data and prescriptive/predictive analytics solutions testing and Blockchain testing for financial services.

Caution

Brazilian clients that already contracted for Capgemini's testing services may not receive the most advanced technology. Clients should prompt Capgemini to apply advanced automation, because it reduces the total cost of testing.

2019 ISG Provider Lens™ Leader

Capgemini has an unquestionable capacity to deliver next-generation application continuous testing services required to maintain high-quality digital products.
Cognizant is a public company that reached $14.8 billion and 260,000 employees at the end of 2017.

The application testing practice offers a suite of services in testing, consulting and engineering. Services include system and integration testing, package testing, user acceptance, automation, performance testing and test data management. Quality management services include application and infrastructure testing.

**Overview**

**End-to-end solution**: Cognizant’s Quality Engineering & Assurance (QE&A) organization employs an end-to-end ecosystem approach. Cognizant’s testing scope includes business process, user acceptance, application performance, security and accessibility. There are assurance services for Blockchain, IoT, mobility, cloud migration, big data and digital device software. Clients also can use agile-sprint automation and bot-assisted testing.

**Test automation**: Cognizant’s HiveCenter™ incubates, proliferates and industrializes automation. It brings together licensed and open stack automation technology along with proprietary technology. Cognizant’s Intelligent Quality Designer is a patented model-based test design solution for business process assurance. Intelligent Test Scripter (CITS) is Cognizant’s open source, scriptless test automation platform. The CRAFT framework is for end-to-end test automation. Quality Insight Bots analyze data captured from the software development lifecycle (SDLC). MINT provides on-demand mobile testing and device virtualization. TEBOT extends automation of digital solutions, such as home automation and wearable devices. SmartStub is a service and device virtualization platform.

**Extended quality services**: Cognizant’s technology assurance labs provide on-demand cloud provisioning and virtualization. Cognizant offers a crowdsourcing service platform for digital product beta testing and measuring user response to apps. Cognizant Code Assessment Platform (CCAP) is a web-based service to analyze source code for potential bugs, complexity, unit tests, comments, coding rules, duplication, architecture and design.

**Strengths**

Cognizant Brazil has a growing presence in the financial sector and some multinational accounts. Clients from other industry verticals should consider whether the actual volume and projected new demands for required testing services are enough to justify the effort required to configure Cognizant’s automation solutions.

**2019 ISG Provider Lens™ Leader**

Cognizant’s industry experience and the level of automation offered, turn its test services portfolio into an attractive solution for quality-focused enterprises.
DXC Technology was born after the global merger of CSC and HPE's Enterprise Services business in 2017, consolidating 60 years of innovation. DXC Technology serves nearly 6,000 private and public sector clients across 70 countries. The company has a comprehensive portfolio of application testing services using its intellectual property tools, frameworks, accelerators and a strong partner ecosystem to deliver fast and optimum testing outcomes.

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**Strengths**

- **Service oriented platform:** DXC wants to deliver testing services in a pay-as-you-go model. So far the company has created four solutions: Functional and Automation Testing-as-a-Service (FTaaS), Performance Testing-as-a-Service (PTaaS), Mobile Testing-as-a-Service (MTaaS) and recently launched Automated Applications Security Testing-as-a-Service (AASSTaaS). All required test management software is provided as-a-service, ensuring clients only pay for licenses used for the duration of the projects, rather than purchasing the licenses outright or for long-term durations.

- **Ever-expanding portfolio:** DXC services include test advisory services, implementation of a testing center of excellence and application lifecycle testing. Functional and non-functional automation is available for all types of applications using traditional, agile and DevOps. DXC provides enterprise application testing for Oracle, SAP and cloud-based applications such as Salesforce and ServiceNow. Application security testing services can find, fix, avoid and remEDIATE vulnerabilities. Digital and emerging-technologies testing is available for mobile apps, omnichannel, big data, analytics, IoT and service virtualization. DXC also offers digital experience testing and crowd testing for beta testing.

- **Advanced app security services:** DXC's security test services allow clients to reduce business risks. Comprehensive Application Threat Analysis (CATA) conducts security requirements gap analysis and architectural and design threat analysis. DXC delivers Static and Dynamic Applications Security Testing (SAST and DAST) services to identify security defect vulnerabilities in application source code. Enhanced Applications Security Testing provides more in-depth analysis and recommendations for remediating vulnerabilities identified through application security. The Vulnerability Remediation service fixes the security defects and vulnerabilities found in applications.

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**Caution**

DXC Technology is gradually improving its continuous delivery offering, and all components are in place. Regarding continuous delivery, agile development integration with continuous testing and DevOps may require validation with DXC's advisory services.
INMETRICS

Overview

Inmetrics is a Brazilian company founded in 2002 that was able to grow quickly by applying solid algorithm knowledge to automation technology. From Unicamp (the University of Campinas), the company was incubated by Softex (the Brazilian national software export development program). Today it has operations in Brazil, Chile and Colombia. Inmetrics achieved $38 million in revenue in 2017. Inmetrics is the only organization that started with testing services that is in the Leader's quadrant.

Strengths

Scope of custom services: Inmetrics has engineers that are highly skilled in algorithms and applying data analytics to testing. Through agents, scripts and logs that are captured in near real-time, the company develops algorithms to provide efficiency insights. Collected data is used to optimize test cases and data sets. Data and analytics are used to reduce stress testing resource consumption. Inmetrics' experts create custom strategies for functional testing, optimization, troubleshooting, software code quality and architecture improvements.

Speed and adaptation skills: Inmetrics is a young organization with young engineers that are proud to call themselves geeks or hard techs. Inmetrics is quick to adapt to client needs, understand the application landscape and script-code innovative solutions for performance monitoring and quality testing. This ability allows Inmetrics to work with all kinds of testing technologies and improve client's testing toolset utilization.

Financial stability and growth: Inmetrics revenues grew 39 percent in 2015, 38 percent in 2016 and 25 percent in 2017, the years of Brazil's GDP depression. Inmetrics' profitable business and footprint expansion trend indicate to clients that the company's contracts are of low risk for continuity and obsolescence problems.

Caution

Inmetrics is not investing in developing a testing platform to integrate with cognitive services and artificial intelligence technology providers. Clients should consider Inmetrics as a human intelligence provider to work with client's automation platforms, and not the opposite.
everis operates in 16 countries and has 19,000 professionals across Europe, the U.S. and Latin America. In Brazil, everis has offices in São Paulo and Rio de Janeiro, a Cyber Defense & Infrastructure Management Hub in Alphaville, and a delivery center in the city of Uberlandia (Minas Gerais state). everis Brazil hosts the Center for Competence in Quality and Testing (CCQT) with local resources and regional knowledge to serve everis’ clients in the Americas.

**Overview**

**Strengths**

**UMANE platform:** everis has an internal platform called UMANE that integrates several automation tools, proprietary and open-source, to orchestrate continuous testing. A typical flow of merge, test, build, HP ALM integration and GIT repository can be traced back to who did what in each step. It has a dashboard that monitors and tracks all of an event’s evidences, measures SLA performance and replicates data to clients’ dispersed repositories. Artificial intelligence and bot components are in place to simulate human functional testing, and cognitive technologies are used to interact with end-users participating in testing activities.

**Testing-as-a-service:** everis’ testing service can be used for robotic process automation testing, business continuity tests, drones software testing and other digital products’ testing. Remote TestKit (RTK) is a cloud-based app testing service that can transfer screen image of more than 500 smartphone models (hardware accessed through the web) for testing and debugging during the app development and quality assurance processes. NTT DATA, the Japanese parent company, developed RTK and supports its evolution.

**Mainframe and SAP testing services:** everis can automate testing for mainframe applications and SAP integrated systems. Few testing companies in Brazil offer automation for these platforms. everis can identify the core functionality for automation, which reduces the time and effort required to maintain a predictable quality for integrated solutions.

**Caution**

NTT DATA acquired everis in 2014. The Center for Competence in Quality and Testing (CCQT) is a peer organization to the Center of Competence of Industrialization and Digitization (CCI&D) that was created in 2017. The company is going through organizational and technology changes. Clients should monitor everis Brazil’s capacity to absorb all changes while maintaining services quality and client focus.

**2019 ISG Provider Lens™ Leader**

everis’ testing platform uses advanced technology for testing digital businesses. Clients can benefit from an intelligent solution for quality assurance.
WIPRO

**Overview**

Wipro is a global service provider with approximately $6.9 billion in revenue. It is present in 60 countries with more than 145,000 employees. The Brazilian office is in São Paulo.

Wipro's Testing Center of Excellence (TCoE) comprises 18 competency centers and a Test Innovation Centre with more than 100 domain-specific tools, such as QualityOne (for quality lifecycle management), AssureNXT (hyper automation) and IntelliAssure (cognitive automation).

**Strengths**

**Specialization and footprint:** Wipro has large Brazilian companies in its client list for testing services. Testing is one of the specializations of its global organization, which has made considerable investments in intellectual property development. Testing revenues reported for Brazil put Wipro among the five largest testing services providers in the market. Wipro can handle any testing volume size in Brazil.

**Agile continuous integration solution:** Wipro is focusing on transitioning its clients to agile. It offers agile application managed services with Scrum or Scaled Agile Framework (SAFe) for development and Kanban/Scrumban for maintenance services, all supported by Wipro's AssureNXT to deliver automation across test design, test data, environment setup, reports and dashboards. Progressive or in-sprint automation testing is available for all technology layers (web GUI, services, data) and throughout continuous integration, continuous delivery (CI/CD) and DevOps.

**Pragmatic vision for test solutions:** Wipro's perspective for the future of testing includes robotic automation (bots and RPA) and cognitive artificial intelligence to reduce human intervention to a minimum using its IntelliAssure solution, powered by Wipro's HOLMESTM platform, to accelerate speed. Wipro's tools continue to evolve to provide clients with advanced technology options to scale test.

**Caution**

Wipro's current clients demand more traditional test services rather than continuous testing and DevOps. Wipro's strategy is based on automation and remote service delivery to gain scale. Clients in the early stages of agile and continuous integration may require more advisory and on-site engineering services to build a continuous delivery practice and should consider specialized consulting services in addition to Wipro's automated services.

2019 ISG Provider Lens™ Leader

Wipro has a mature practice based on robust automation tools to provide fast and reliable testing services to large enterprises.
RISING STAR: SOFTTEK

Overview

Softtek is a global service provider headquartered in Mexico with operations in 20 countries and 15 delivery centers. Softtek Brazil has offices in four states and two delivery centers. Softtek uses a process to implement quality assurance (QA) services, supported by its Software QA & Validation Methodology® and its Quality Assurance and Validation Maturity Model®. The methodology can be applied to a single project or to the application's lifecycle.

Softtek's holistic view brings in an attractive test portfolio. As the company grows in contract value, it will be able to be positioned in the Leader's quadrant.

Strengths

FRIDA automation: Framework for Intelligent Digital Automation (FRIDA) is a cognitive computing platform. The P-BOT add-in for FRIDA combines analytics, machine learning, deep learning and natural language processing (NLP) to decrease the human effort required for testing applications. Softtek's Automated Testing Framework for mobile, web and ERP software automates test case execution by leveraging libraries and functions.

Zero-defect operation target: Softtek is using automation and Lean principles to reduce defects to zero, or as close to zero as they can be. Softtek's methodology is data-driven and quality focused, with an automation-first mindset. Softtek has three obsessions: to transform people-driven solutions to process-driven ones; to replace chaotic, ad-hoc improvement decisions with a predictive, data-driven improvement process; and to reengineer manual operations to automated processes with digital governance.

Client focus and service agility: Softtek's client journey starts with implementing a Testing Center of Excellence (TCoE) that introduces the culture for quality software development and implements its automation framework and tools, producing significant quality gains and cost reductions. No intellectual proprietary locks the client into the contract. Efficient services and client satisfaction are the secret ingredients of Softtek's client retention.

Caution

Softtek focuses in optimizing processes and streamlining costs with automation and shared remote engineers. Clients looking at testing without automation or test staff-augmentation will not find Softtek's offering competitive.
Definition

Banking, financial services and insurance (BFSI) companies are in constant competitive threat from startups, disruptive technologies and new competition from established players from other markets. BFSI clients expect service providers to understand their specific market challenges and propose solutions and services to overcome them. The service providers leading the BFSI market are those able to support large organizations with innovation and responsiveness (agility), understanding the complexities imposed by this market regulations and security concerns.

This quadrant assesses the strength of providers that provide next-gen ADM services to the BFSI industry vertical. It considers each service provider's experience and specialization, package applications available for accelerated application delivery and the diversity of portfolio options for varying sizes of enterprises and sub-segments in the BFSI market. Platforms, accelerators and use cases are considered additional valuable assets of the service provider for its positioning in this quadrant.

Next-gen Application Development & Maintenance (ADM) Services
Next-gen ADM - BFSI Industry

Source: ISG Research 2018
NEX T-G E N ADM FOR BANKING, FINANCIAL SERVICES AND INSURANCE (BFSI)

Observations

- Accenture has a substantial presence in the BFSI market and is the incumbent for application services at many prominent banks and insurance companies.

- Capgemini operates in the BFSI market in Brazil with a high focus on government financial institutions and state-owned banks.

- IBM has long-time experience in BFSI, originated from its high transactional processing capacity and specialized application services.

- Senior Solution has been consistently growing since its IPO with its outsourcing and application services that use its extensible BFSI platform.

- Stefanini has a long history and a large footprint in banking, with various outsourcing contracts, including maintenance and agile development.

- Rising Star: Cognizant entered the Brazilian market in 2009 and is escalating its presence in the BFSI market.
**ACCENTURE**

**Overview**

Accenture has four delivery centers in Brazil and 449,000 employees worldwide. The company does not disclose its local revenue and headcount.

Accenture provides outsourcing services for the BFSI markets, including application management services and software implementations for Accenture's partners such as SAP, Alnova™ and Microsoft.

**Strengths**

**SAP capabilities:** Accenture has more than 46,000 SAP-trained FTEs, equivalent to 11 percent of its global workforce. Accenture develops intellectual property that accelerates projects and innovation deployments, allowing clients to leverage existing proprietary applications that enhance SAP products.

**Microsoft collaboration:** Avanade is a joint venture of Microsoft and Accenture with more than 65,000 Microsoft-trained FTEs. Accenture has approximately 7,000 FTEs dedicated to SaaS-based development.

**Robust application management services:** Accenture's Liquid Application Management service is a new offer for application outsourcing that consists of end-to-end, cross-functional agile product teams and DevOps for applications in multiple lines of business.

**Financial services footprint in Brazil:** Accenture offers ITO and BPO services for banks and insurance companies. The synergy of ITO and BPO allows Accenture to develop and retain differentiated expertise in the complex Brazilian regulatory system. Accenture's client list includes the leader in retail banking and the leader in insurance services in Brazil.

**Caution**

Clients in the process of selecting innovative solutions for BFSI may find Accenture's first move in favor of its prime partners SAP and Microsoft. However, a clear understanding of the business use case can direct the solution to the most appropriate technology option.
Capgemini is a global company headquartered in France that operates in 40 countries with 200,000 employees. Application services represent 62 percent of its €12.7 million revenue. Capgemini has eight delivery centers in Brazil.

Capgemini's Brazilian operation has financial services in its DNA. Capgemini acquired CPM-Braxis in 2010. CPM was founded in the 1980s as a joint venture of Bradesco Bank and Deutsche Bank with the purpose of providing IT services for both financial institutions.

**Overview**

Capgemini has innovative solutions and partners' solutions for insurance and payment services that clients can leverage to the Brazilian market.

**Strengths**

Exceptional delivery capabilities: With more than 4,000 developers in Brazil and mature processes to transfer workloads to 100 delivery centers across the globe, from Argentina to India, Capgemini is capable of delivering a full range of technologies. The global organization claims to have employees from more than 120 countries and is proud of promoting diversity. For clients, quantity and diversity mean it is easier to conceive new ways of doing things and developing innovative solutions.

Next-gen applications development and maintenance platform: Capgemini invested in developing its own set of tools and platforms. For diagnosis and planning, it uses its economic Application Portfolio Management (eAPM) approach and the Wide-angle Application Rationalization Program (WARP). The CAST tool from a partner industrializes the applications and the Rightshore® Delivery Centers gets the visibility to measure and improve software quality. AutomationDrive® is used to automate applications.

Applied Innovation Ecosystem (AIE): Capgemini provides access to an ecosystem of startups, accelerators, incubators, strategic technology and business partners to introduce innovation. AIE is a framework that leverages tool suites and methods, accelerators and design thinking under a governance model. AIE aligns Capgemini's 11 exchange centers around the world and vertical-specific centers of excellence (CoE). The CoEs are named Cells, CENTS, Crescent, CHROME and Calorie respectively for life sciences, tax and social services, consumer products and retail, automotive and manufacturing, and energy and utilities.

**Caution**

The Brazilian financial system is highly regulated. Global banking solutions cannot be applied to Brazil without heavy customization. Capgemini is focused on leveraging its global resources and may face impediments when using its global knowledge and applications accelerators in Brazil.
Overview

IBM Brazil has delivery centers in Belo Horizonte, Rio de Janeiro, Hortolândia, Sao Paulo and Porto Alegre. IBM does not disclose its Brazilian headcount.

IBM's application management service delivers system integration, application management, maintenance and support services for packaged software, as well as custom and legacy applications. IBM believes value is delivered through advanced capabilities in areas such as security and privacy, application testing and modernization, cloud application migration and automation.

Strengths

Robust portfolio: IBM offers all technologies and services for the new-generation application development and maintenance service, which positions IBM high in the portfolio attractiveness' axis. IBM support for open-source and all major vendors' packages also contributes to its leadership. Clients that require contractual maintenance support for Linux, Apache and other open source products should always consider IBM.

Watson and blockchain: Recently, IBM showcased relevant and affordable automated cognitive solutions using Watson, which is finally able to understand and respond in Portuguese, including Brazilian regional variations in accents and vocabulary. Watson's primary applications are in call centers, analytics and big data for banks and insurance companies. In 2018, IBM launched its blockchain platform in Brazil. IBM is developing innovative projects and proofs-of-concept (POC) for the leading financial institutions in Brazil.

Professional expertise in Brazil: IBM is one of the top three professional networks in Brazil, combining employees and partners to deliver applications.

IBM Z® mainframe: Brazil's banks and insurance companies rely on a robust IBM Z® installed base. IBM provides applications services and consulting for improving the use of its mainframe technology for transactional data processing and analytics solutions.

Caution

IBM Watson requires training that consumes clients' resources for weeks or months to achieve the desired goals. Clients should not underestimate the effort needed to gain the benefits of cognitive, artificial intelligence and deep learning solutions.

2019 ISG Provider Lens™ Leader

IBM has an unquestionable presence in the BFSI markets in Brazil and its leading new technologies are enabling new digital businesses.
**SENIOR SOLUTION**

**Overview**

Senior Solution was founded in 1996 in São Paulo to provide software development for the financial industry. At the end of 2017, the company had approximately 300 clients and more than 750 employees at offices in São Paulo, Belo Horizonte, Rio de Janeiro and Ribeirão Preto.

Senior Solution has a financial software platform to accelerate delivery to its clients. The solution covers the areas of checking accounts, credit, insurance and customer services. The company is investing to extend the solution functionality.

**Strengths**

**Experience in the market:** Senior Solution has more than 20 years of experience in outsourcing for the financial market. Its clients are retail and investment banking institutions, insurance companies, foundations and asset management firms. Senior Solution can provide business assessments for process optimization for treasury, investments, credit, leasing, consortium, exchange, risk, insurance and service channels, among others.

**Accelerators:** Although Senior Solution's packaged software can support regular financial business processes, the vast majority clients customize the applications to their specific needs. The standard package serves as an accelerator and platform for fast delivery of robust solutions in compliance with Brazilian banking and insurance regulations. Applications can include support for back-office finance processes, front-end web applications, mobile banking, security, analytics, business intelligence, payment gateways and card processing.

**Financial stability:** Since the company's IPO in 2013, Senior Solution acquired nine companies. Senior Solution has been growing for 13 consecutive years, at an average annual rate of 29 percent. The company has the most BFSI clients of any provider.

**Caution**

Senior Solution's outsourcing capacity depends on the technical evolution of its products and the company's revenue growth. Senior Solution's primary technology partners are Oracle and Microsoft. As competitors improve the use of artificial intelligence and cognitive technologies for the financial services market, Senior Solution may face difficulties updating its portfolio to compete with disruptive digital products.

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**2019 ISG Provider Lens™ Leader**

Senior Solution is a safe choice for financial institutions looking for secure and mature specialized applications that can be deployed quickly.
STEFANINI

Overview

Stefanini is a Brazilian multinational company founded in 1987. The company operates in 40 countries and four continents with 24,000 employees.

Since 2008, Stefanini has used its Fábrica Contínua, a software continuous development factory under Stefanini Application Services business unit. Fábrica Contínua has more than 8,000 developers working with mainframe, mobile, portals, design thinking, business intelligence and cloud computing technologies. BFSI clients can benefit from Fábrica Contínua through applications managed services and agile projects delivery.

Strengths

Footprint in the BFSI markets: Stefanini’s business started with banking institutions, and BFSI continues to be the company’s priority. Its client list includes the five biggest banks in Brazil. Stefanini has three service lines for the BFSI markets: continuous software delivery (Fábrica Contínua); applications managed services for support and maintenance; and an agile delivery organization that uses Scaled Agile Framework (SAFe®) under Stefanini’s Digital Studio.

Stefanini Digital Studio: Stefanini has created Digital Studio, a proprietary agile methodology for large enterprises. Digital Studio has three stages. Stefanini Dive instigates ideas to deliver prototypes after five business days. Deep Dive takes prototypes and transforms them into viable products. Submarine builds the integrations and improvements to scale the application. For each stage, Stefanini defines business indicators such as time-to-market, financial results, user adoption, utilization increases and loyalty to measure applications by their outcomes.

A practical approach for transformation: Stefanini’s service approach was designed for large and complex organizations. It uses the Value Engineering (VE) methodology to measure and show clients the outcomes of applications changes and improvements. Clients become aware of cost versus value, and the entire project and backlog priority change, improving the business value of the entire applications portfolio.

Caution

Stefanini has a small continuous testing organization relative to its agile development team. Large clients willing to have one service provider for agile development, testing and DevOps will find that Stefanini may require extra time to incorporate additional testing capabilities to match its agile organization size.

2019 ISG Provider Lens™ Leader

Stefanini has been providing consistent applications services for large financial institutions and can continue to offer robust applications delivery.
Cognizant is a strong competitor that is challenging the status quo of applications service providers for the banking, financial services and insurance markets.

Strengths

A comprehensive digital-ready program: Cognizant has a three-step process for helping clients reduce the legacy debt and become digital-ready. The first step is called “Simplify,” it unlocks value and enables clients to run better on an efficient IT backbone. The second is “Modernize,” which prepares for the change and enhances the organization’s ability to be nimble and agile so it can deliver a seamless digital shift. The third is “Secure,” which is intended to strengthen the core, improve resilience and prepare to handle vulnerabilities, as dictated by new requirements and threats.

Application management automation: Cognizant HIVECenter™ is an integrated portfolio of services, platforms and solutions to bring together collective automation capabilities for any given business and IT scenario.

Business value management (BVM) framework: This comprehensive blueprint takes a holistic view of the ecosystem to create synergy across applications, infrastructure and business processes. The framework charts a transformation roadmap to deliver business outcomes to achieve improved business performance.

Global BFSI expertise: 38 percent of Cognizant’s revenues are from the BFSI market. The company focuses on integrating the digital technologies that are reshaping its customers’ business and operating models, including RPA, and on cost optimization and cybersecurity.

Caution

Cognizant has not developed solid agile project reference cases in Brazil. The company is stronger in applications maintenance, testing and automation to optimize its clients’ applications landscape.
NEXT-GEN ADM FOR THE MANUFACTURING INDUSTRY

Definition

Manufacturing enterprises can achieve significant efficiency improvements with cloud, IoT, Industry 4.0 and supply chain integration. Although the service providers evaluated have these technologies and competencies, there are very few reported cases of advanced technology being used by manufacturing companies. Manufacturers may find remarkable benefits from adopting advanced technologies.

This quadrant assesses the strength of providers that provide next-gen ADM services to the manufacturing segment. Manufacturing includes services provided to conglomerates, capital goods, construction, consumer durables (like automotive, household appliances), aerospace and defense, materials, semiconductors, technology hardware and equipment and trading companies.

Next-gen Application Development & Maintenance (ADM) Services
Next-gen ADM - Manufacturing Industry

Source: ISG Research 2018

2019 Brazil

Product
Challenger

Contender

Competitive Strength

Low

High

Low

High

Leader

Rising Star

Market
Challenger

Infosys
Tech Mahindra
Accenture
Softtek

TP

Evox

Sonda IT

KPI

FH

TF

Softtek

T-Systems

IBM

NTT DATA - Events

Infosys

Cappgemini

Alros

Infosys

T-Systems

Softtek

IBM

NTT DATA - Events

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NOTES
Next-Gen ADM for the Manufacturing Industry

Observations

- Accenture has many large manufacturing enterprises in its client list, consolidating its leadership in the vertical.
- IBM's manufacturing penetration is evident and has been pushed by its consulting and innovation services.
- Infosys has vital SAP capabilities for large and midsized organizations, based on its global leadership in manufacturing.
- Softtek has developed strong relationships in the manufacturing market, which pushes the company into the Leaders quadrant.
- T-Systems has had a manufacturing background since the company's creation and is evolving its experience as a key provider for the automotive industry.
- Tech Mahindra was a manufacturing company before it was an ITO service company. In Brazil, its SAP practice puts the company in the Leaders group.
- Rising Star: FH is emerging as a leader because of its capacity for merging ERP and B2B commerce, providing an end-to-end solution for midsized manufacturing companies.
**Overview**

Accenture has four delivery centers in Brazil and 449,000 employees worldwide. The company does not disclose its local revenue and headcount.

Accenture has a long history of providing consulting and applications services for manufacturers in Brazil. The company has a large SAP installed base and has developed accelerators and reusable applications, such as its OPERA solution, to optimize manufacturing processes, an enterprise parts architecture solution to develop and enhance component capabilities and many other solutions specifically for manufacturing.

**Strengths**

**Strong ERP capabilities:** Accenture's implementation experience, partnership levels and practice size for the entire SAP portfolio are unique. Accenture has more than 46,000 SAP-trained FTEs. The company has been involved in many SAP implementations and has 17 SAP solution innovation centers globally. In Brazil, Accenture has delivered complex SAP projects for manufacturers, including clients in the automobile industry.

**Extensive portfolio and partnerships:** Accenture's broad range of partnerships includes AWS, Apple, Google, Microsoft, Oracle, Pegasystems, Salesforce, SAP, Workday and others. Accenture's mature development practice allows clients from Brazil to access and use global delivery centers if critical resources are not available in Accenture's four Brazilian delivery centers.

**Robust application management services:** Accenture's Liquid Application Management service offer is a continuous service that consists of end-to-end cross-functional agile product teams and DevOps for applications across multiple lines of business. Accenture can modernize and move its client's applications portfolio to any platform, or its preferred Accenture Cloud Platform (ACP). The modernization includes Lean practices, robotic process automation (RPA), artificial intelligence (AI) and the use of cloud-based components to leverage IaaS and PaaS benefits.

**Caution**

Clients interested in plant systems innovation and Industry 4.0 may find Accenture's primary offerings around the robust SAP portfolio. In such cases, Accenture consulting services may require further detailed information about business requirements, to find the best-fit vendor solution.
**Overview**

IBM Brazil has delivery centers in Belo Horizonte, Rio de Janeiro, Hortolândia, São Paulo and Porto Alegre. IBM does not disclose its Brazilian headcount information.

For the manufacturing sector, IBM focuses on three levers to unleash digital reinvention: optimize the core using IBM Watson and automation, modernize applications to include microservices and open-source technologies for modularity, and co-create using the IBM Client Innovation Framework.

**Strengths**

**Robust portfolio:** IBM offers many technologies and services for the new-generation application development and maintenance service, which positions the company high in the portfolio attractiveness axis. IBM’s support for open-source and all major vendors’ packages also contributes to its leadership.

**Innovation ecosystem:** IBM Labs provides the ideation environment and design thinking services to conceive innovative software products. IBM has a curated set of partner startups that can be integrated as-a-service to client’s applications through IBM Cloud or partners can be hired to develop innovative components, plugins or solutions.

**ERP tools and accelerators:** IBM has developed tools and accelerators for many ERP and CRM products. IBM has integrated application management automation and the Watson platform. Together, these reduce the number of level-one tickets through end-user assistance and automated ticket resolution using cognitive agents, robotic process automation and dynamic self-healing. Chatbots and RPA automate service requests. The IGNITE testing solution uses cognitive technology and automation to improve application reliability.

**Professional expertise in Brazil:** IBM has one of the top three professional networks in Brazil, combining employees and partners to deliver applications. Recently IBM showcased relevant and affordable automated cognitive solutions using Watson, which is finally able to understand and respond in Portuguese, including Brazilian regional variations of accents and vocabulary.

**Caution**

IBM Watson requires training that consumes clients’ resources for weeks or months to achieve the desired goals. Clients should not underestimate the effort needed to gain the benefits of cognitive, artificial intelligence and deep learning solutions.
INFOSYS

Overview

Infosys is a global service provider based out of India, with a $10.9 billion revenue and more than 200,000 employees. In Brazil, Infosys has delivery centers in Belo Horizonte, Minas Gerais state, and São Paulo and Araraquara, São Paulo state.

Infosys provides consulting and IT services for more than 240 global manufacturing clients in Brazil, the US, Canada, Mexico, Europe, Australia, Japan, China, India, Singapore and the Middle East.

Strengths

Manufacturing and innovation focus: Infosys provides application services to large global manufacturing organizations. The most significant portion of its Brazilian operation’s revenues comes from manufacturing clients. Infosys has reference cases and can bring innovation in all aspects of manufacturing: plant control, virtual reality, collaboration, supply chain, IoT and Industry 4.0.

Efficiency for S/4HANA: Infosys has a variety of tools and accelerators for SAP products. S/4HANA Assist is used for rapid assessments. Infosys Nia leverages machine-learning algorithms to provide IT landscape insights. Project tools include Infosys HANA CMO Tool, IDSS migration tools, ISCON portal, ValuePLUS for KPI dashboards and Infosys ProcureEdge. For Brazil, Infosys has localized pre-configured solutions, including tax add-ons that are compliant with many cities and states regulations. The company has experience in moving SAP to the cloud and can optimize to reduce costs.

Full service application maintenance and cloud: Infosys’ revenues from support and maintenance overpasses project revenues, meaning Infosys has a strong focus on continuous services. The company is capable of supporting ERP and CRM running in the cloud, including operations of cloud IaaS. Infosys offers a one-stop shop for application development, maintenance and operations.

Caution

In Brazil, Infosys puts intense attention to S/4HANA and peripheral solutions. The Brazilian consulting organization is gradually bringing in innovations from delivery centers abroad. Clients that instigate Infosys’ local delivery team to improve automation and innovation may discover attractive deals in return.

2019 ISG Provider Lens™ Leader

Manufacturing clients can count on Infosys to move workloads to the cloud to optimize operations and release resources for business transformation.
SOFTTEK

Overview

Softtek is a global service provider headquartered in Mexico with operations in 20 countries and 15 delivery centers. Softtek Brazil has offices in four states with two delivery centers.

Softtek helps manufacturing IT organizations drive digital transformation and enables essential collaboration between IT and operational teams. Softtek integrates the back office system and the shop floor by optimizing underlying platforms, applications, processes and skill sets.

Strengths

Practical view for IoT and analytics: Softtek’s automation platform is designed to integrate vendors’ artificial intelligence services with SAP solutions portfolios and IoT sensors and devices. Softtek’s vendor neutrality for the decision process to select the best solution puts it ahead of the competition.

FRIDA and DIEGO platforms: Framework for Intelligent Digital Automation (FRIDA) is a cognitive computing platform that runs services from Microsoft, Google and SAP and coordinates robotic process automation, chatbots, self-healing, automated testing and DevOps. Digital Enablers for Growth (DIEGO) allows several platforms and solutions to be integrated, including IoT and B2C platforms, gamification, augmented reality (AR) and virtual reality (VR).

Automation-first mindset: Softtek’s methodology is data-driven and quality-focused, with an automation-first mindset. Softtek focuses on three obsessions: transform people-driven operations to process-driven solutions; replace chaotic, ad-hoc decisions about improvements with a predictive, data-driven improvement process; and reengineer manual operations to automated processes with digital governance.

Consistent SAP services delivery: Softtek has been implementing and supporting SAP in Brazil for more than 20 years and has earned its certified Partner Center of Expertise (PCoE) certification. Softtek balances revenues from implementation and maintenance services for long-lasting client relationships.

Caution

Softtek does not have a business consulting practice. Clients looking for digital journey transformation may need to bundle Softtek’s offerings with specialized consulting.

2019 ISG Provider Lens™ Leader

Softtek has invested in sophisticated platforms to take its manufacturing clients to the next level of the digital transformation.
T-SYSTEMS

Overview

T-Systems operates in more than 20 countries, with 37,900 employees and a revenue of 6.9 billion euros in 2017. Present in Brazil since 2001, T-Systems has a significant presence in the manufacturing industry, in particular in the automotive segment.

T-Systems focuses on infrastructure, hybrid and multi-cloud, migration to the cloud, big data, internet of things (IoT), machine to machine (M2M), Industry 4.0 and security. T-Systems' offering is centered on three programs: Zero Outage, The Cloudifier and ICT Security.

Strengths

Zero Outage: T-Systems is committed to delivering zero outage to its clients. The company implemented a quality assurance program in 2011 that includes state-of-the-art platforms and consistent processes to provide rapid time-to-recovery. T-Systems has more than 600 quality assurance managers worldwide. For applications, zero outage is achieved through modernization and conversion to implement the necessary components for incident management automation. T-Systems focus is to move applications to the cloud, including the client's SAP landscape.

The Cloudifier: T-Systems' transformation projects target two-thirds of client's applications. The Cloudifier transformation process starts with an assessment of all applications and the development and test environments. T-Systems' industrialized services ensure that all application data, including SAP data, are transferred to the cloud securely.

Manufacturing portfolio: T-Systems understands the manufacturing process and challenges. The company's portfolio goes beyond SAP manufacturing solutions. Its Business Connect Services (BCS) provide supply chain integration. The smartPORT solution covers logistics tracking. T-Systems also has solutions for PLM, including engineering collaboration tools. T-Systems' Aras Cloud is a platform-as-a-service offering that integrates with PLM, CAD, PDM and ERP systems and suppliers.

Caution

T-Systems is still working on improving its automation for incident management with artificial intelligence and DevOps practice for dynamic environments. Blockchain solutions are being developed; however, no production user cases are available up to this date.

2019 ISG Provider Lens™ Leader

T-Systems can provide differentiated results for organizations that are willing to move to the cloud to achieve zero outage manufacturing systems.
TECH MAHINDRA

Overview
Tech Mahindra (TechM) is a $4.9 billion company with more than 107,000 professionals in 90 countries, providing solutions to more than 800 customers worldwide. Present in Brazil since 2006, Tech Mahindra has centers of excellence and service delivery facilities in São Paulo and Rio de Janeiro.

In 2013, Tech Mahindra acquired the Brazilian company Complex IT, an SAP services provider with more than 500 consultants at that time. Tech Mahindra has increased in size and has improved the company's presence in the manufacturing industry. Today its portfolio includes development and maintenance services for Microsoft, dotNet, Netweaver, Oracle, Java and other technologies, as well as SAP and Oracle implementations.

Strengths

Global expertise in Industry 4.0: Clients can leverage Tech Mahindra’s global expertise to deliver the manufacturing plant of the future. Tech Mahindra has a research center that it calls the Factory of the Future lab. The lab showcases assets and solutions in the areas of digital manufacturing, connected machines, additive manufacturing, robotics and automation, artificial intelligence, analytics, augmented reality and virtual reality.

Experience and end-to-end automation for SAP: Tech Mahindra provides support to more than 25,000 global users, including implementation, maintenance, system administration, SAP BASIS support and data center services. Tech Mahindra has an SAP Partner Center of Expertise (PCoE) to provide product support. The service includes automation with artificial intelligence for incident management and infrastructure operations. Solutions include Oracle, Microsoft and RPA technologies.

Scale and automation: Tech Mahindra uses advanced automation. Scale is accomplished through its AQI automation framework. TACTIX provides ticket scrapping for auto-ticket distribution. UNO is used for applying robotic process automation to operations. ADOPT integrates DevOps for IBM, Microsoft, CA, HP, CollabNet and Jira. FixStream Meridian™ consolidates analytics in a single panel. Epselon workload analytics works for SAP and Oracle EBS. LitmusT is a test automation platform that uses AI. Entellio is a chatbot. PRISM is an analytics platform. Acumos enables rapid builds, sharing and deployment.

Caution
Tech Mahindra Brazil has a strong SAP client base. Clients that are willing to expand into industry 4.0 can call Tech Mahindra to leverage its global expertise and portfolio to pioneer in manufacturing innovation beyond the limits of the Brazilian market offerings.
RISING STAR: FH

Overview

FH is a Brazilian company founded in 1999 in Curitiba, Paraná state. FH is a streamlined organization that operates through eight units located in the cities of Curitiba, São Paulo, Porto Alegre, Joinville, Rio de Janeiro, Brasilia, Stuttgart (Germany) and Madrid (Spain).

FH has solid manufacturing client references for integrated production and sales platforms using SAP ERP and Hybris e-commerce (now Cx4Hana). The company can implement solutions that cover all business processes, from supply chain to B2B or B2C sales. Because FH is constantly growing and has captured the Brazilian market attention from its complex implementations, we consider FH being on course to the Leader's quadrant.

Strengths

Tax and regulatory compliance expertise: Brazil has specific standards, legislation and regulations that are in constant change, increasing the complexities of doing business. FH has a deep understanding of these regulations and has developed reusable solutions and intellectual property to solve the complexities that manufacturing companies face when doing business in Brazil. For homegrown enterprises, FH solutions elevate business process maturity and compliance. For multinationals, FH can satisfy both international and local regulations and compliance.

Agile SAP implementation: FH is an SAP Gold Partner and has been recognized by SAP many times. FH applies its experience gained through agile projects and product development to S/4HANA migrations and new implementations. The company's accelerators and the integration with its e-commerce platform and tax solution allow clients to acquire a robust solution in short-time projects.

Unique expertise on e-commerce: FH has considerable experience on large B2B and B2C e-commerce projects using SAP-Hybris (recently renamed to Cx4Hana). FH has all SAP Hybris certifications including PCoE for supporting the product. Implementations are fully integrated with ERP solutions for consistent omnichannel customer experience for clients.

Caution

A large portion of FH revenue comes from the SAP product portfolio. Artificial intelligence, cognitive solutions, robotic process automation, IoT and SaaS adoption can be disruptive to SAP business, and these technologies could impact FH's long-term revenue increase. Although the company is investing in other technologies, clients should monitor how FH's portfolio evolves towards industry 4.0.

2019 ISG Provider Lens™ Rising Star

FH has rich experience in delivering complex ERP solutions and integrating suppliers and clients for streamlined manufacturing operations.
Methodology
The ISG Provider Lens™ 2019 – "Next-Gen Application Development & Maintenance (ADM) Services" research study analyses the relevant software vendors and service providers in the Brazilian market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

The study was divided into the following steps:

1. Definition of "Next-Gen Application Development & Maintenance (ADM) Services" market

2. Use of questionnaire-based surveys of service providers/vendor across all trend topics

3. Interactive discussions with service providers and vendors on their capabilities and use cases

4. Leverage ISG's internal databases and advisor knowledge and experience (wherever applicable)

5. Detailed analysis and evaluation of services and service documentation based on the facts and figures received from providers and other sources.

6. Use of the following key evaluation criteria:
   - Strategy & vision
   - Innovation
   - Brand awareness and presence in the market
   - Sales and partner landscape
   - Breadth and depth of portfolio of services offered
   - Technology advancements
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