NEAT EVALUATION FOR COGNIZANT:

Quality Engineering

Market Segments: Overall, AI-Based Analytics & Automation, GenAI Use Case Capability, SAP Testing Capability

Introduction

This is a custom report for Cognizant presenting the findings of the 2025 NelsonHall NEAT vendor evaluation for *Quality Engineering* in all four markets segments: *Overall*, *AI-Based Analytics & Automation, GenAI Use Case Capability*, and *SAP Testing Capability*. It contains the NEAT charts of vendor performance, a summary vendor analysis of Cognizant for quality engineering services, and the latest market analysis summary.

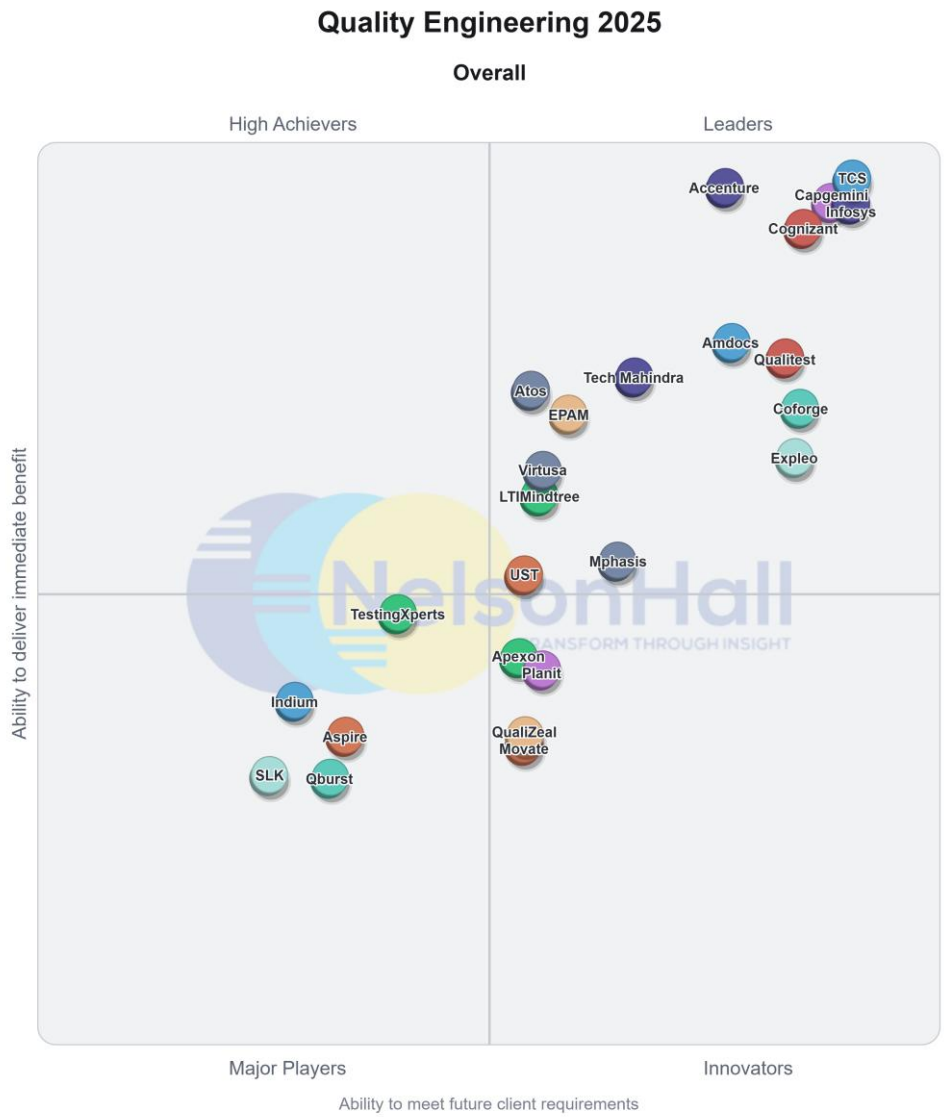
This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering quality engineering services (formerly referred to as software testing services). The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, and with specific capability in AI-based analytics & automation, GenAI use cases, and SAP testing.

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

Vendors evaluated for this NEAT are: Accenture, Amdocs, Apexon, Aspire Systems, Atos, Capgemini, Coforge, Cognizant, EPAM Systems, Expleo, Indium, Infosys, LTIMindtree, Movate, Mphasis, Planit, Qburst, Qualitest Group, QualiZeal, SLK, TCS, Tech Mahindra, TestingXperts, UST, and Virtusa.

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

NEAT Evaluation: Overall

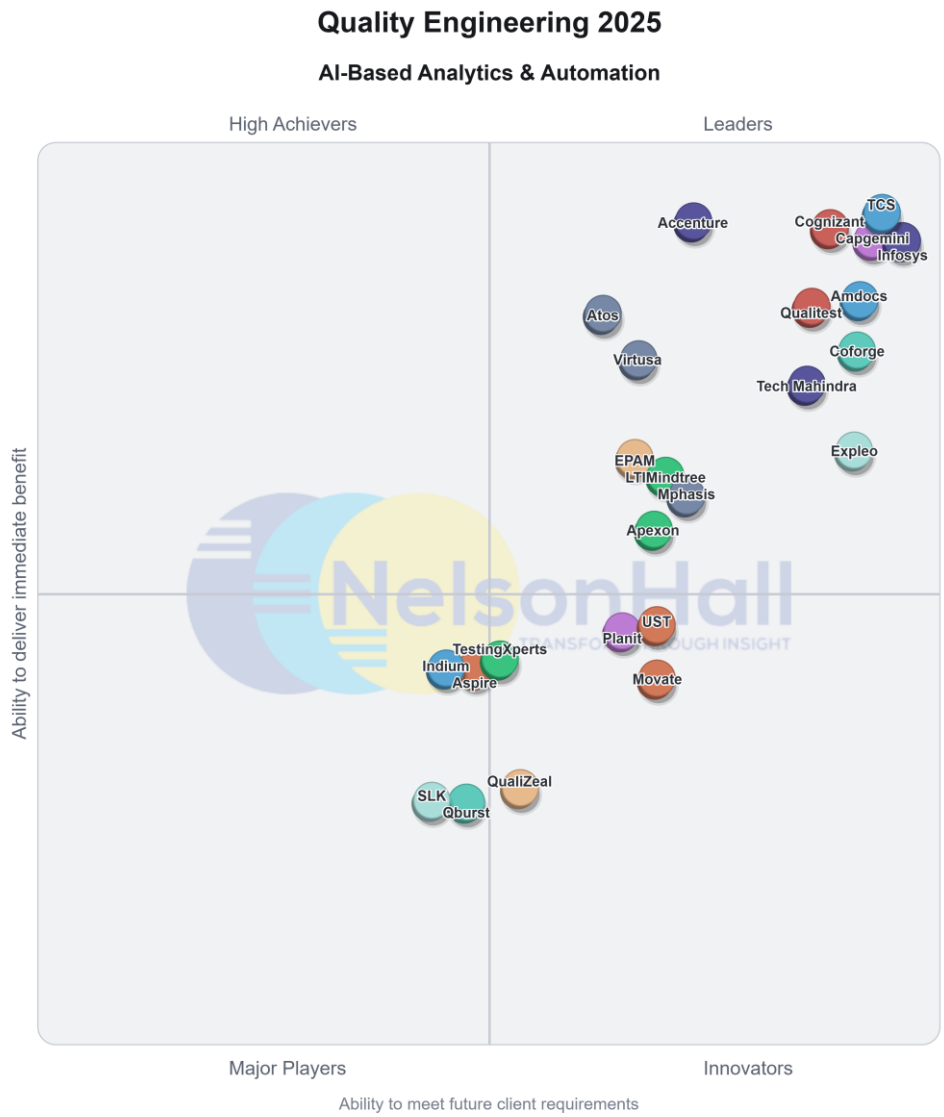


NelsonHall has identified Cognizant as a Leader in the *Overall* market segment, as shown in the NEAT chart. This market segment reflects Cognizant's overall ability to meet future client requirements as well as delivering immediate benefits to its quality engineering clients.

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

Buy-side organizations can access the *Quality Engineering* NEAT tool here.

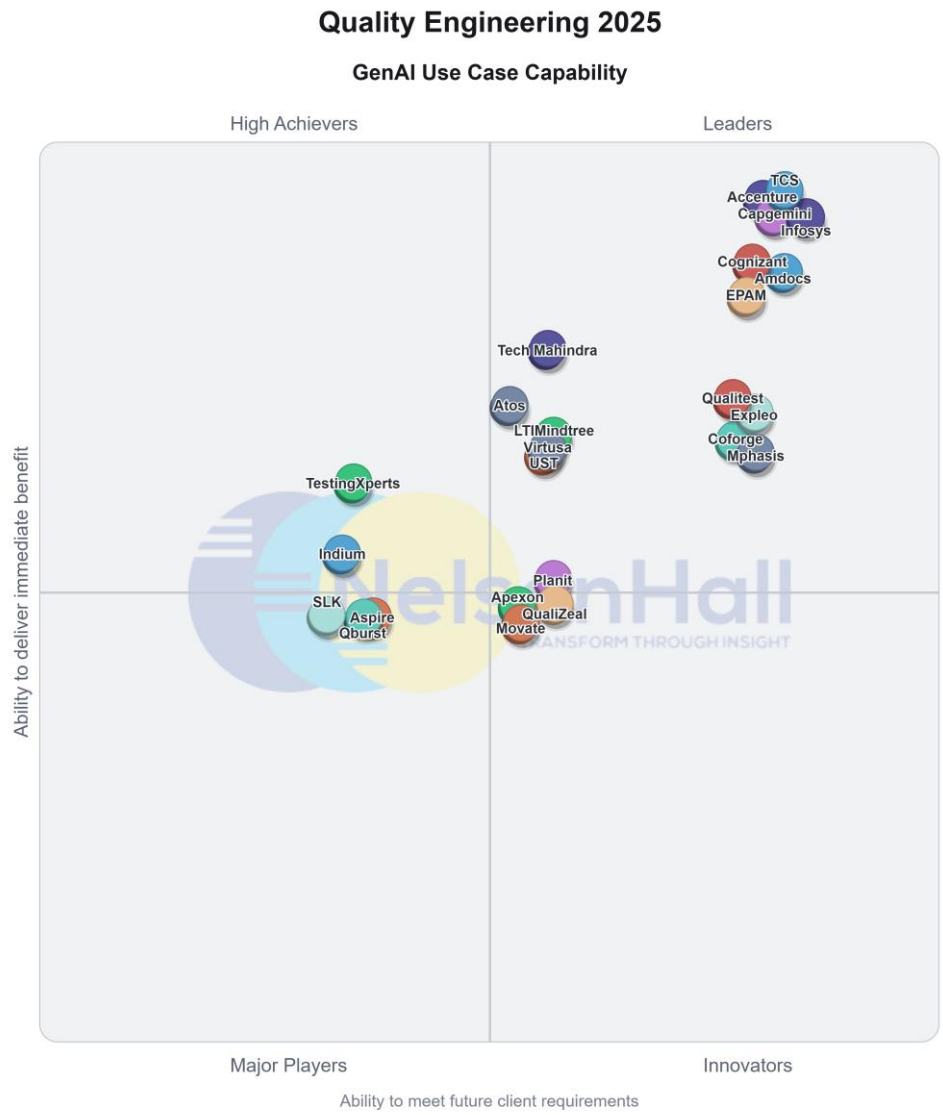
NEAT Evaluation: AI-Based Analytics & Automation



NelsonHall has identified Cognizant as a Leader in the *AI-Based Analytics & Automation* market segment, as shown in the NEAT chart. This market segment reflects Cognizant's ability to meet future client requirements as well as delivering immediate benefits to its quality engineering clients with specific capability in AI-based analytics and automation.

Buy-side organizations can access the *Quality Engineering* NEAT tool here.

NEAT Evaluation: GenAI Use Case Capability



NelsonHall has identified Cognizant as a Leader in the *GenAI Use Case Capability* market segment, as shown in the NEAT chart. This market segment reflects Cognizant's ability to meet future client requirements as well as delivering immediate benefits to its quality engineering clients with specific capability in developing GenAI use cases.

Buy-side organizations can access the *Quality Engineering* NEAT tool here.

NEAT Evaluation: SAP Testing Capability

NelsonHall has identified Cognizant as a Leader in the *SAP Testing Capability* market segment, as shown in the NEAT chart. This market segment reflects Cognizant's ability to meet future client requirements as well as delivering immediate benefits to its quality engineering clients with specific capability in SAP testing.

Buy-side organizations can access the *Quality Engineering* NEAT tool here.

Vendor Analysis Summary for Cognizant

Overview

Cognizant is a global IT and digital services company headquartered in the U.S., operating across all major industry verticals, including banking and financial services, healthcare and life sciences, communications, media and technology, retail, logistics, and manufacturing. In 2024, it acquired Belcan LLC, an ER&D services firm, to strengthen its aerospace, defense, space, and industrial verticals, signaling a focus on industry-specific services.

Cognizant's Software & Platform Engineering (SPE) service line is at the core of the company's modernization and AI transformation strategy. It delivers through 30 delivery centers in North America, 8 centers in Latin America, 40+ in Europe and the U.K., and 30+ across India and APAC, with 16 phygital labs worldwide.

The company's QE&A practice sits within the SPE service line and is one of the largest QE organizations globally, with 40k career testers serving around 1000 clients. QE&A has been an independent practice for years, and Cognizant prefers to retain this organizational structure with no major changes.

The QE&A service portfolio is organized across the following categories:

- *Technology Assurance*: now delivered through AI-infused lifecycle automation and platform-driven engineering. Services offered include intelligent automation, GenAI and agentic workflows, test data management, observability-driven QE, cloud and modernization assurance, and validation of IoT, AR/VR, 5G, blockchain, and digital platforms
- *Experience Assurance*: centers on validating customer and user experience using analytics, observability, and AI-led insights using sentiment analysis, production log intelligence, UX validation, accessibility checks, and experience-driven quality models
- *Business Assurance*: focuses on aligning QE with enterprise priorities, including regulatory changes, industry shifts, M&A, platform upgrades, and transformation programs. Services offered include domain-led advisory, QE transformation, impact-based testing, end-to-end process validation, and AI assurance to maintain compliance, reduce operational risk, and ensure business continuity
- *Intelligent Quality Engineering*: transforms traditional QA into an AI-native, automation-first capability embedded across the engineering lifecycle. Cognizant leverages predictive AI, GenAI, and agentic AI for hyper-automation, shift-left and shift-right assurance, intelligent orchestration on cloud, real-time quality insights, and optimized TDM
- *Quality Advisory & Architecture*: this offering uses Cognizant's AI advisor and consultant-in-the-loop constructs and centers on shaping enterprise-wide quality strategies and frameworks to align with digital transformation goals. Services include QA transformation & coaching, quality architecture assessments, QE operating model design, and modern QE advisory AI-assurance guardrails for sustainable and scalable quality practices across platforms and processes.

Financials

NelsonHall estimates that Cognizant's testing revenue breakdown by geography is: North America and Latin America 75%, EMEA 19%, APAC and ANZ 6%.

NelsonHall estimates that Cognizant's testing revenue breakdown by vertical is: BFSI 41%, healthcare and life sciences 24%, manufacturing, transportation, retail, energy & utilities 20%, telecom, media & technology 14%, and government 1%.

Strengths

- *Overall*: Cognizant's focus on sustainable AI adoption is unique, with its advisory blueprints, reference architectures, and AI Advisor platform helping clients move AI-for-QE pilots into long-term, scalable programs. This structured approach ensures greater value utilization, initiative continuity, steady expansion of AI-assisted QE across the lifecycle, and stickiness with clients
- *GenAI-based test automation*: Cognizant's dual focus on GenAI-enabled development and testing via its FlowSource platform, along with its transition to an SDET-led QE workforce, positions it well for the industry's shift toward engineering-first, AI-powered development and testing. By unifying workflows and equipping teams with deeper automation and AI skills, Cognizant is positioned to deliver faster, more scalable outcomes
- *SAP testing*: Cognizant brings a strong SAP testing capability by combining its own assets like the S/4HANA test repository, CAPR, Certify Impact, and TDM accelerators with AI-driven impact analysis and test design, and integration with partner tools such as Tricentis and Worksoft. Together, these IP-led and ecosystem-aligned interventions create a high-coverage, efficient, and scalable assurance model for complex SAP landscapes.

Challenges

Cognizant faces the challenge of an ambitious goal to transform a large QE workforce into SDETs while operating in a pricing environment that is evolving with a changing AI capability landscape. This is creating near-term margin pressure as the company faces the challenge of consistently delivering across a wide variety of clients.

Strategic Direction

Cognizant's QE strategy centers on evolving quality engineering into a business-aligned, AI-augmented function built on six pillars:

- Responsible AI assurance
- Customer experience validation
- Workforce transformation
- Quality advisory
- Business assurance
- Sustainable QE.

The company is accelerating a shift toward an all-SDET talent model, with a structured plan to convert 25% of its QE workforce this year and extend this transition across the organization over the next two years.

Cognizant is also strengthening its advisory posture to guide clients through varied stages of AI adoption, supported by platforms for regulatory assurance and a forthcoming governance platform.

While pricing models in the industry will evolve gradually, Cognizant anticipates the future use of short-duration agent and robot pricing, even as it continues to pass GenAI efficiency gains directly to clients today.

Outlook

NelsonHall expects Cognizant to continue building industry-specific platforms, especially those targeting regulatory and compliance use cases.

While sustainability may not be seeing traction in the near term, as energy and infrastructure requirements for AI increase, NelsonHall anticipates a renewed set of investments in sustainability testing.

NelsonHall anticipates further evolution of some early pricing models for agentic AI, including gain-sharing and subscription-based models.

Cognizant has seen an uptick in M&A activity, and NelsonHall anticipates the QE team will expand via upcoming acquisitions to strengthen industry offerings, as it did with Belcan and the aerospace sector.

Quality Engineering Market Summary

Overview

AI's role in QE continues to grow, evolving into LLM-based automation across lifecycle stages, including test design, change-impact analysis, risk-based regression, and defect triage. Early agentic patterns are emerging, moving from siloed QE activities to orchestrated workflows with increasing autonomous capabilities in test artifact generation, environment setup, and script maintenance.

Vendors are investing in unified QE platforms that combine traditional automation technologies such as ML, NLP, and computer vision with GenAI-driven test artifact generation, self-healing execution, and integrated test data management (TDM). These platforms increasingly cover API testing, performance engineering, and COTS testing. At the same time, development and testing are converging through shift-left adoption, copilots, and increasing integration of AI-assisted development and QE platforms. Testers are transitioning to SDET roles, supported by new AI skills, including prompt engineering, AI-assisted test automation, ML and analytics awareness, data skills, LLM usage, and Responsible AI in testing.

Domain-specific expertise, leveraging contextual layers of compliance mandates, taxonomy, and blueprints stacked on top of QE platforms, is growing as organizations operationalize GenAI in regulated sectors such as BFSI, retail, healthcare, and telecom. Vendors are differentiating through domain knowledge, pre-built assets, responsible AI frameworks, and compliance-aligned automation accelerators.

Pricing models centered on gain-sharing constructs, platform subscriptions, and limited agents-as-a-service offerings that complement traditional T&M and fixed-price models are emerging. However, NelsonHall sees limited adoption at this stage.

Clients are placing heightened emphasis on governance, explainability, and Responsible AI. As GenAI becomes embedded across the QE lifecycle, buyers increasingly prioritize vendor stability, transparent operating models, proven delivery maturity, and evidence of a strategic roadmap for integrating evolving AI capabilities.

Buy-Side Dynamics

The QE market has moved from a PoC-heavy GenAI phase to a more mature, platform-led QE model. The QE offering of choice for buyers now combines GenAI, emerging agentic use cases, vendor-developed traditional test automation, and ISV capabilities into an integrated platform, also available as modules for specific use cases.

Buyers can be segmented into three types: *Agile Mainstream*, *Advanced Automation*, and *Digital Matures*.

Agile Mainstream

Agile Mainstream organizations continue to operate in hybrid delivery environments, with digital initiatives adopting agile and DevOps practices. Clients continue to prioritize continuous testing and automation to support agile delivery, but the nature of automation has evolved.

Buyers increasingly expect AI-assisted QE capabilities to be embedded into standard delivery rather than positioned as experimental initiatives. This includes GenAI-driven test design, change-impact analysis, defect triage, and regression optimization, typically deployed with governance and human-in-the-loop controls.

Vendors are now expected to show their ability to:

- Deploy continuous testing at scale within hybrid agile environments
- Build GenAI-assisted capabilities across requirements, test design, execution, and support stages through modularized QE platforms that can also be used for specific use cases
- Offer 20% or more reduction in TCV for greenfield programs using AI-powered QE platforms.

Advanced Automation

Advanced Automation organizations operate mature agile and continuous testing environments and actively invest in next-generation QE platforms to further increase automation and productivity. These buyers no longer evaluate GenAI in isolation, with clients expecting vendors to offer QE platforms that integrate GenAI across stages of the test lifecycle.

These buyers evaluate vendors on the basis of:

- Demonstrated investments in GenAI-enabled QE platforms rather than point solutions, with a roadmap towards agentic patterns and governance guardrails
- OCM support, including tester adoption, and skills transformation.

Digital Matures

Digital Mature organizations run multiple large-scale digital programs and increasingly test systems that are themselves infused with AI. Their QE focus has shifted from automating digital technologies alone to assuring the quality, reliability, and trustworthiness of digital and AI-enabled ecosystems.

These buyers expect vendors to specialize in ERP testing (such as Salesforce and SAP) or to offer integrated build-and-test capabilities, supported by partnerships with ISVs.

Vendor evaluation in this segment is based on the ability to:

- Deliver automation-first QE services
- Offer AI model testing, including validation, bias detection, and model behavior monitoring services
- Support ongoing assurance in evolving digital and AI-driven environments.

Cross-Segment Trends

AI Assurance and Governance

Buying decisions now increasingly factor in Responsible AI, governance controls, and TDM. Clients expect vendors not only to create productivity gains but also to offer accountability and data auditability, particularly in regulated and large-scale enterprise environments.

Convergence of Development and QE Through Shift-Left and AI-Enabled Engineering

Across all three buyer segments, 2025 has brought an apparent acceleration in shift-left initiatives and a blending of development and QE practices. GenAI and early agentic workflows are now embedded in QE platforms and in AI-assisted development environments. As a result, the boundaries between development and testing are narrowing, with testers adopting SDET-like responsibilities and engineering teams relying more on AI-driven test generation, code suggestions, and impact analysis.

Clients now expect vendors to support unified engineering workflows where test design, automation, defect analytics, and even lightweight code creation are integrated into a single lifecycle. The blending of QE platforms with AI-assisted development tools has therefore become a key buying consideration, influencing talent models, tooling strategies, and the overall operating approach to software quality.

Market Size & Growth

The global testing services market size in 2025 is ~$43.1 bn. NelsonHall expects growth in 2026 of +4% to 5%, driven by easing trade and policy uncertainties and AI augmentation of QE platforms to accelerate application releases.

Outlook

Functional testing continues to account for ~80% of software testing spend. The introduction of GenAI-driven QE will drive the decline of manual testing. Digital testing and COTS testing remain growth areas. Still, the most significant expansion will occur in AI-assisted functional testing, which is reshaping how organizations design, execute, and optimize test coverage.

Specialized testing activities are expanding, driven by newer demand segments. The most prominent is the rise of AI model testing (~7% of testing spend in 2025). Enterprises are formalizing programs to validate LLMs, copilots, domain-specific agents, and decision-support models in their applications. This segment is attracting investments from both QE and product development teams.

In parallel, agentic AI is moving beyond early pilots to mainstream deployment for tasks such as test design, regression optimization, defect triage, and governance support, which involve one additional QE task. As teams start experimenting with a blend of human testers and autonomous agents, many organizations are realizing they need clearer governance models to keep things predictable and accountable. At the same time, demand for non-functional testing continues to rise as cloud-native, API-driven, and distributed systems put more pressure on performance, resilience, and security. Test support areas such as data management, environment setup, and observability-led diagnostics are becoming more important as delivery grows more complex. Even UX testing is evolving, with new tools helping teams handle visual checks and accessibility reviews more efficiently.

Overall, specialized testing is now growing faster than core functional testing. The combination of AI model testing, agentic AI adoption, observability-led quality, and domain-specific automation is redefining the structure of the QE market. Vendors with strong platforms, scalable AI practices, and deep domain knowledge are best positioned for the transition toward continuous, autonomous quality.

NEAT Methodology for Quality Engineering

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet future client requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet future client requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- Leaders: vendors that exhibit both a high ability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet client future requirements
- High Achievers: vendors that exhibit a high ability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet client future requirements
- Innovators: vendors that exhibit a high capability relative to their peers to meet client future requirements but have scope to enhance their ability to deliver immediate benefit
- Major Players: other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.

Exhibit 1

'Ability to deliver immediate benefit': Assessment criteria

Assessment Category	Assessment Criteria
Offering	AI-based analytics and automation SAP testing GenAI use cases
Delivery	Indian delivery capability U.S. onshore capability EMEA onshore capability APAC (Excluding India)
Presence	Customer presence globally Customer presence in North America Customer presence in EMEA Customer presence in APAC Customer presence In LATAM
Benefits Achieved	Level of cost savings achieved Increased test automation Improved application quality Reduced production downtime Increased speed to market Increased end user/ business satisfaction Improved User Experience

Exhibit 2

'Ability to meet client future requirements': Assessment criteria

Assessment Category	Assessment Criteria
Investments	AI-based analytics and automation SAP testing GenAI use cases
Market Momentum	QE market momentum
Ability to Deliver Improved Outcomes	Overall performance Achievement of program business objectives Understanding of key company and industry requirements Timeliness of service delivery (project on time) Cost of service (project on budget) Use of innovative offerings Flexibility of service Value for money
Financial Security	QE financial security

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

Sales Inquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:

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