



## IDC MarketScape

# IDC MarketScape: Worldwide Internet of Things Consulting and Systems Integration Services 2016 Vendor Assessment

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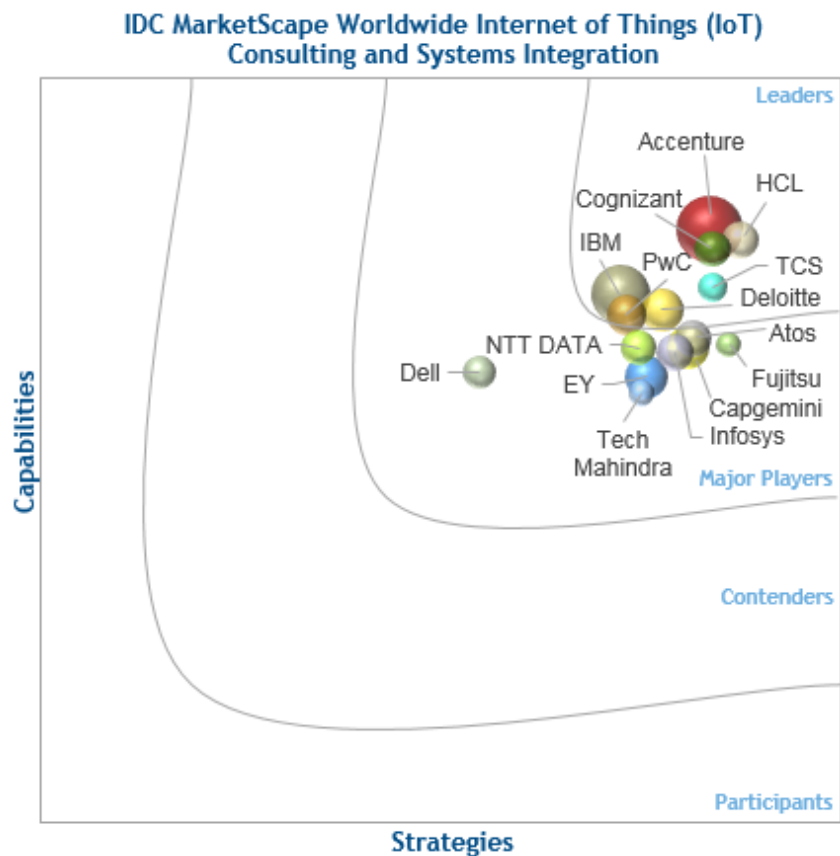
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**THIS IDC MARKETSCAPE EXCERPT FEATURES COGNIZANT**

### IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Internet of Things Consulting and Systems Integration Services Vendor Assessment



Source: IDC, 2016

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

## IN THIS EXCERPT

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The content for this excerpt was taken directly from IDC MarketScape: Worldwide Internet of Things Consulting and Systems Integration Services 2016 Vendor Assessment (Doc #US41880716). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

## IDC OPINION

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

- Across all 38 strategies and capabilities assessed, the "future functionality/offering road map" and "demonstrated ROI" attributes were rated most highly, on average, across all IoT professional service providers. The strategy attribute that rated lowest, on average, was "growth strategy."
- Based on the survey feedback from 25 of the evaluated vendors' customers, the subcategory "pricing models options/alignment" received the highest aggregate scores (where pricing models included options such as T&M, fixed price, outcome-based, etc.). The lowest aggregate score for any subcategory was for "growth strategy execution."
- When buyers were asked what characteristics were required for an IoT professional services project to be successful at a worldwide level, the top 2 characteristics were, "ability to achieve desired business outcomes" and "deliver innovation for your solution."

## IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

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This research includes analysis of 15 major IoT C&SI services providers with broad portfolios spanning IDC's C&SI research coverage and with global scale. The assessment is designed to evaluate the characteristics of each firm – as opposed to its size or the breadth of its services. Given this approach, Lockheed Martin has been excluded even though it is among the top 5 systems integrators based on the worldwide revenue because the firm typically receives more than 80% of its revenue from the U.S. government. The inclusion criteria also dictate at least \$500 million in revenue coming from a vendor's aggregate IT consulting and systems integration services practice at a worldwide level as well as a minimum of 3% of this revenue located in each of IDC's three macroregions. In addition, it is conceivable, and in fact the case, that specialty firms can compete with multidisciplinary firms on an equal footing. As such, this evaluation should not be considered as a "final judgment" on the firms to consider for a particular project. An enterprise's specific objectives and requirements will play a significant role in determining which firms should be considered as potential candidates for an engagement.

## ESSENTIAL BUYER GUIDANCE

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- **Focus on all phases of IoT analytics.** Almost all IoT solutions you will undertake will involve information and data management of machine/sensor data. Make sure to consider not only information and data management aspects of analytics but also the actual analysis of data coming out of your IoT data management solutions. Advanced analytics solutions such as predictive and machine learning solutions will provide added benefits for your IoT undertaking in terms of added product and process efficiencies and venues for added revenue growth and/or streamlining costs.
- **Demand experience within your vertical.** It is essential for buyers to find the vendors that have a proven track record of advising (consulting) and implementing an IoT solution that is as close as possible to what they are expecting internally.
- **Remember partnerships matter.** No vendor can do it all, especially within the IoT integration/implementation cycle. As such, IDC recommends buyers evaluate which vendor has the best ecosystem in place (with actual examples of a completed project) to mitigate the risk of losing time.
- **Test for goodness of fit.** IoT implementations are transformational and the start of a long-term relationship between the vendor and supplier ecosystem. As such, a major part of the evaluation needs to take into account the more intangible "cultural" fit between you and the vendor(s). Do you see yourself able to work with them well, even when things are not going as planned? Are they commercially flexible to take some of the risks on board themselves?

## VENDOR SUMMARY PROFILE

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This section briefly explains IDC's key observations resulting in the vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of the vendor's strengths, challenges, and opportunities.

### Cognizant

According to IDC analysis and buyer perception, Cognizant is a Leader in the IDC MarketScape for IoT consulting and systems integration services worldwide.

The IoT organization within Cognizant delivers services along three broad service lines: product engineering, industrial operations, and commercial operations. These services are offered to customers across its traditional go-to-market verticals: manufacturing, retail and CPG, energy and utilities, life sciences, communications, and technology. Cognizant believes its primary goal is not only to lead and educate companies to understand the value and help them get started but also to grasp the complexity of IoT at scale. Beyond IoT-related consulting and systems integration services, Cognizant also offers IoT-oriented digital transformation planning, enterprise architecture services, infrastructure services, program management, compliance and governance, and security and vulnerability assessments.

### Strengths

Buyers rate Cognizant highly for portfolio benefits delivered, pricing model options and alignment, and customer service. IDC rates Cognizant highly in terms of employee strategy, complementary IoT offerings, and financial/funding management capabilities.

## Challenges

IDC believes Cognizant's go-to-market capabilities could be enhanced by increasing its ecosystem partnerships and increasing its visibility through more IoT press mentions, its business capabilities could be improved by more examples of managing/analyzing IoT data at the datacenter or at the edge, and its business strategy would benefit from having more customer examples of demonstrated ROI.

## Opportunities

According to IDC's 2016 *IoT Consulting and Systems Integration Services Buyer Perception Survey*, Cognizant can further enhance its position in future related IDC MarketScape evaluations by improving its client perception in the following areas:

- Employee management
- Marketing
- Sales/distribution structure

## APPENDIX

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### Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

### IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

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

## Market Definition

This IDC MarketScape is evaluating IT consulting and systems integration services used to implement IoT solutions. More detailed definitions of the following items can be found in *IDC's Worldwide Services Taxonomy, 2016* (IDC #US41098116, April 2016) and *IDC's Worldwide Internet of Things Taxonomy, 2015* (IDC #256186, May 2015):

- IT consulting is a professional services activity around information technology. It is the delivery of advice to customers aimed at managing their IT organization and improving their organization's IT performance, infrastructure such as IT security, and related processes. IT consulting includes two main areas: strategy and operations.
- Systems integration is a process that includes the planning, design, implementation, and project management of a technical solution that addresses an organization's specific technical or business needs. SI projects typically involve different platforms and technologies. The solution may include hardware, software, and services and is consumed on-premise, on demand, or in a cloud-based environment. An SI project is formalized by a contract that is constructed around solution specifications and often demands certain levels of performance against technical or business goals. The end result of an SI project is the delivery of a system that meets a stated objective and fulfills solution specifications.
- IDC defines the Internet of Things as "a network of networks of uniquely identifiable endpoints (or 'things') that communicate without human interaction using IP connectivity." It is important to note that autonomous connectivity is a key attribute within IDC's definition and, at this point, IDC does not count smartphones, tablets, or PCs within our IoT forecast. IDC believes there are specific use cases where wearables operate autonomously and thus are included within our forecasts. Those wearables that do not operate autonomously are not included within our forecasts. IDC in this taxonomy characterizes machine-to-machine (M2M) as a precursor to and now a subset of the Internet of Things. It is now unduly narrow to think of M2M as reflective of the burgeoning, full opportunity. Likewise, The Internet of Everything (IoE) describes more of the economic outcomes as well as the impact of connecting endpoints on people, processes, and things.

## LEARN MORE

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### Related Research

- *Market Analysis Perspective: European IoT Ecosystem and Trends, 2016* (IDC #EMEA41566316, July 2016)
- *U.S. Buyer Outsourced-Managed Services Needs and Requirements for IoT-Enabled Assets* (IDC #US41236816, July 2016)
- *Professional Services for IoT and Analytics* (IDC #DR2016\_T4\_GL, March 2016)
- *CloudView Survey 2016: Real-Time Analytics Adoption to Grow Rapidly, Especially for IoT* (IDC #US41102416, March 2016)
- *2015 Global IoT Decision Maker Survey: C-Level Analysis* (IDC #US41082016, March 2016)
- *Business Strategy: IoT Capabilities Offered by Systems Integrators in the Manufacturing Sector* (IDC Manufacturing Insights #AP40534615, January 2016)
- *IDC FutureScape: Worldwide Services 2016 Predictions* (IDC #259834, November 2015)

## Synopsis

This IDC study represents a vendor assessment of the 2016 worldwide IoT professional services market through the IDC MarketScape model. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate its ascendancy. This IDC MarketScape covers 15 vendors participating in the worldwide IoT professional services market. This evaluation is based on a comprehensive framework and set of parameters expected to be most conducive to success in providing cloud professional services during both the short term and the long term.

"When buyers were asked what characteristics were required for an IoT professional services project to be successful at a worldwide level, the number 1 characteristic was 'ability to achieve desired business outcomes' followed by 'deliver innovation for your solution,'" said Gard Little, research director, Digital Transformation Professional Services Research. "Buyers are telling IT suppliers that IoT success will come from knowing how to deliver business outcomes using innovative thinking."

## About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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