

The HFS logo is displayed in white, bold, sans-serif capital letters on a solid blue square background in the top-left corner of the page.

HORIZONS REPORT

High-Tech Services, 2024

Analysis of the leading service providers in the high-tech industry

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Excerpt for Capgemini

“

Providing high-tech services has never been so exciting! With the advent of generative AI, services firms find themselves working alongside high-tech firms to advise, discover, implement, optimize, and accelerate how these firms infuse new insights from data in their products, processes, and solutions; and then into the lives of their customers.

In this report we dive into how services and advisory firms are partnering with semiconductor, hardware, networking, software, security, and cloud providers to constantly evolve how they operate and innovate in this cutthroat market.

”



Joel Martin
Executive Research Leader, TMT Practice Lead

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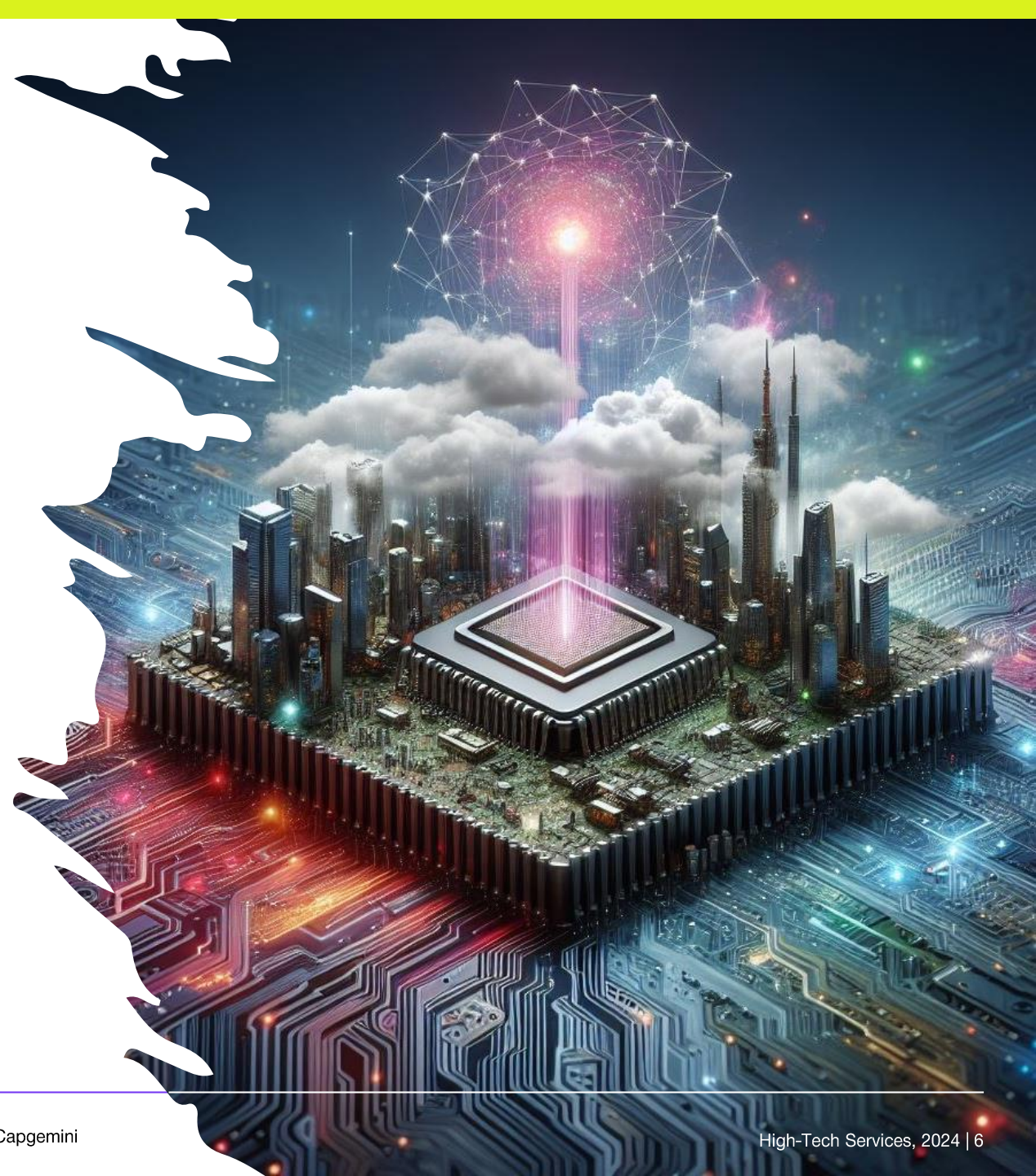
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Introduction & HFS market insights

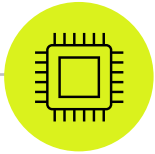
Overview: HFS High-Tech Services, 2024

- High-tech continues to evolve rapidly. To adapt, change, and succeed, high-tech companies require partners that understand their value chain, industry challenges, and customer needs. The onset of generative AI, 5G, and increasing security challenges require partnerships that are collaborative from a people, process, and technology point of view. With this study, HFS will delve into how services and advisory firms are often the unsung heroes of the high-tech industry and continue to play a crucial role in enabling these firms to develop and deliver solutions to clients.
- *HFS Horizons: High-Tech Services, 2024* assesses how well service providers are helping their **clients embrace holistic enterprise transformation through high-tech services and enabling value realized**. The study evaluates providers' capabilities across the HFS definition of the value chain, based on a range of dimensions to understand the **Why, What, How, and So What** of their service offerings.
 - **Horizon 1:** Ability to drive functional optimization outcomes within the high-tech industry through cost reduction, speed, and efficiency.
 - **Horizon 2:** Horizon 1 + the enablement of the **OneOffice™ model** of end-to-end organizational alignment across the front, middle, and back offices to drive unmatched stakeholder experience.
 - **Horizon 3:** Horizon 2 + the ability to drive **OneEcosystem™ synergy** via collaboration across multiple organizations with common objectives around driving entirely new sources of value.
- This research highlights the ability to create **value-add** for each participant across the three distinct Horizons. It also includes **detailed profiles** of each service provider, outlining their **provider facts, strengths, and development opportunities**.
- **Inclusion criteria:** We invited diversified providers of high-tech industry services with established business lines focused on supporting enterprise needs for customer experience to participate in this study. Participation guidelines:
 - Annual high-tech services revenues (combined) of at least \$250 million or a 10% contribution to overall revenue
 - An existing portfolio of industry-specific services spanning the HFS high-tech value chain

We are at an inflection point in high-tech where silicon, data, and cloud are charting a new course for the industry and the markets high-tech firms empower.

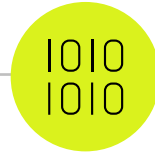


While complex, HFS views the high-tech industry as currently being transformed by the influence of three crucial technologies



Semiconductors

- Advancing compute, power management, and communications from IoT to Quantum.
- Evolving from complex mass production to 'for purpose' design and implementation and creating industry-, device-, and system-optimized solutions.
- Diversifying the functionality of workloads across a larger ecosystem of design, fabricate, and implement to create more connected, high-performance computing.



Data

- Systems designed for data first, rather than applications-based allowing for new methods to create applications, data pipelines, and analysis tools.
- Powering foundation models to LLMs to GenAI and enabling users to access insights in context of its true usability.
- Openness of data is creating new challenges and opportunities for ecosystem collaboration.



Cloud Platforms

- Providing access to unlimited storage, compute, processing, and access.
- Centralizing platform-based marketplaces for innovations, emerging technologies, and current technologies to become more available for adoption and orchestration.
- Fueling business transformation over digital transformation and new EX and CX capabilities.

The three macro factors require IT services and advisory firms to hone their expertise and offerings around six factors

Impacting R&D capabilities



The capabilities of high-tech companies span a broad spectrum of software development, firmware development, product development, packaging, documentation, licensing models, and UI design. Given the pace of change, resources, technologies, and project management must be dynamic, innovative, and accountable. Building and modernizing solutions for a cloud-first architecture is essential to create new forms of long-term value.

Orchestrating global supply chains



Adopting industry clouds to enable firms to work across multiple partners to design, develop, build, and deliver advantages based on a unified fabric supporting their supply chain needs. Partners must facilitate order planning, processing, shipping, assembly, delivery, and return management. Supply chains must be operated with resiliency, adaptability, and security to ensure products, intellectual property, and financial transactions are effective and accounted for on a global basis.

Enabling data, AI, and automation



Data-driven business transformation arises from implementing complex order management, product management, sales & marketing, customer experience, performance, inventory, licensing, regulatory, and ESG programs. Data must be extracted and delivered to executives, line managers, and technology teams to constantly improve operations, productivity, and quality. GenAI tools create a new horizon for evolving how tools and data augment solutions.

Scaling dynamically



The ability to quickly tap into global customer opportunities and markets for software or hardware solutions requires firms to be prepared to scale quickly, both organically or inorganically. Solutions are needed to intake local regulations, supply chain channels, partnerships, and customer experiences. Often firms need to develop partnerships to help create, optimize, and expand their supply chain needs from raw materials to product recovery for ESG initiatives.

Innovating products with data



High-tech is an industry that creates markets by bringing innovations to customers that are industry-centric, domain-centric, business-centric, and user-centric. To innovate is to develop products that bring software, semiconductor, hardware, data, services, and user experience solutions together quickly to drive adoption or pivot to new opportunities in new or adjacent markets where 'fit' is rewarded by investment.

Creating design-led experiences



As customers can choose multiple viable solutions, it's often the partners' experience with product mindset that builds loyalty and engagement. Design-led models are crucial to map optimized experiences to the functionality needed to deliver results. User experience, partner experience, and customer experience are all critical to building long-term value creation across software, hardware, and services lines.

And to fulfill the complete high-tech value chain, IT services and advisory firms must meet demand with a broad set of supply-side capabilities

High-tech firm needs (Demand-side)

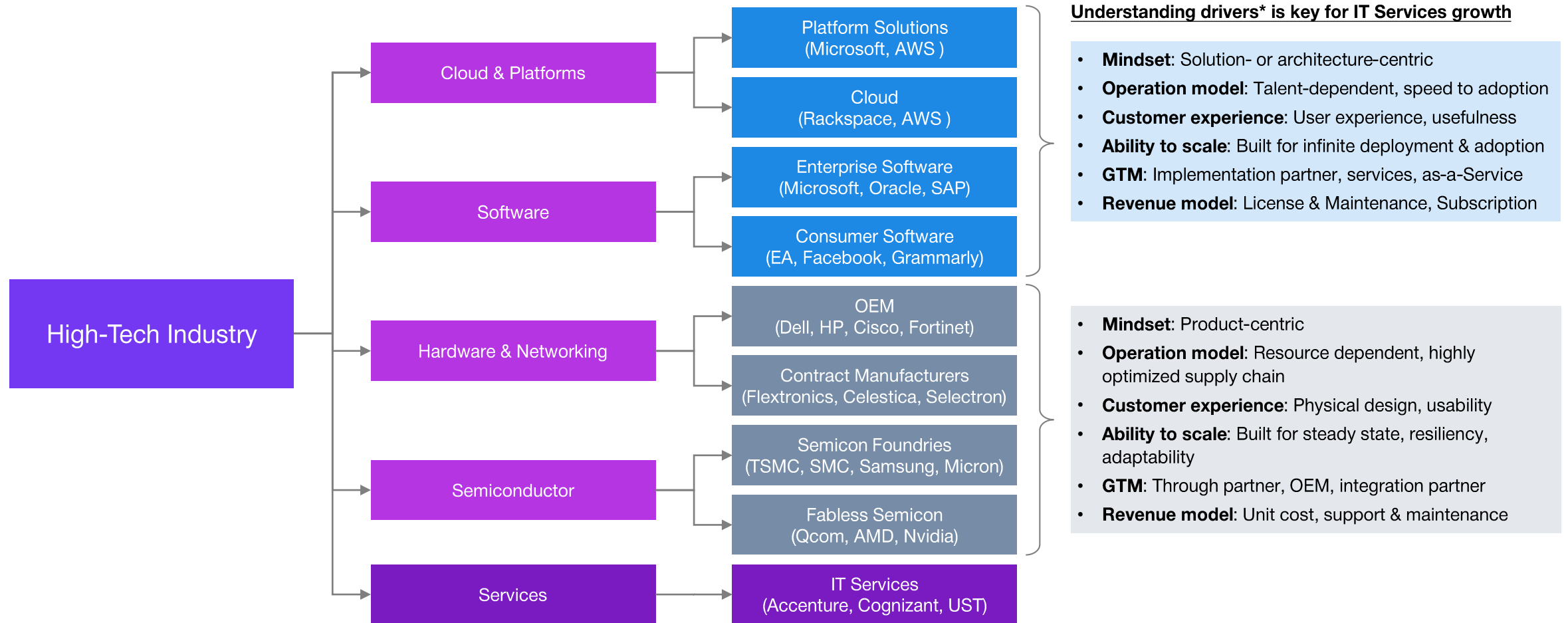
- Software and firmware design, development, QA & test, and implementation services
- Employee, customer, and product training, support, and help desk
- Product design, development, and optimization
- Incubation, acquisition, integration, and divestiture
- Regulatory, intellectual property management, and strategic growth drivers
- Supply chain, procurement, order management, and return or restock services
- License design, management, and enforcement to provide growth and revenue capture
- Devise new go-to-market sales and marketing campaign programs
- Governance, risk, and compliance
- Creating digital marketplaces
- Improving cross-functional workflows
- Adopting emerging technologies to provide competitive advantage
- Documentation of products, services, and processes
- Custom silicon design



Service provider capabilities (Supply-side)

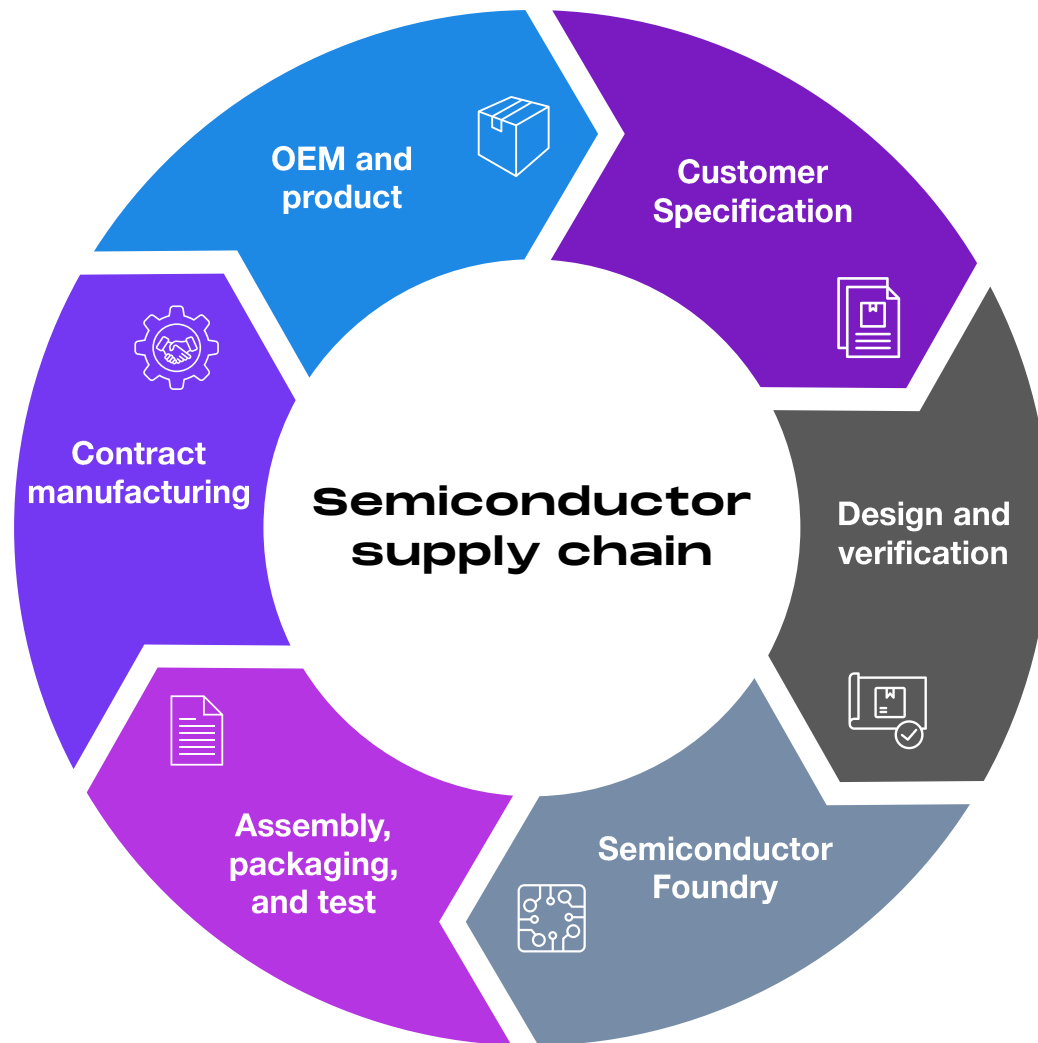
- Skills and resources in legacy and modern software development lifecycle services
- Staffing of support and help desk centers at global, regional, and near-shore levels
- Product innovation labs
- Solutions to support M&A and carve out services
- Market and competitive assessment of products, solutions, and patent services
- Ability to design, contract, negotiate, and monitor supply chain effectiveness and efficiencies
- Developing, implementing, and monitoring traditional, SaaS, or monthly recurring revenue models
- Campaign and pipeline management solutions
- Assessing, implementing, and supporting governance, security, and regulatory compliance in markets where solutions are delivered
- Creating new models for customer engagement in online and in-product solutions
- Optimizing the flow of data and insights across organization silos
- Fabless design services
- Hybrid cloud optimization

For added complexity, the high-tech industry consists of sub-industries with integrated ecosystems, but often different needs for growth and revenues creation



*Note: The six factors above are generalized but considered core to the operations, culture, growth, and go-to-market of high-tech subindustries. This study excludes the needs of the Services industry, as this report focuses on how Services supports its related cousin industries.

High-tech firms work as a highly integrated ecosystem of interdependent relationships and feedback loops, in a constant state of change and adaptability



HFS's view of the topics fueling services demand within high-tech firms' needs



Harnessing AI & automation to open new markets and growth

High-tech firms will look to partners for accelerated innovation and ideas for further embedding GenAI solutions into product, processes, and their culture. These will require IT services firms to act more like advisory firms and vice versa. Partners will be on the hook to support all facets of their clients from creating code to evaluating and actioning customer experience insights.



Excelling at platform economics

Support evaluating, designing, implementing, and joining platforms. The days of being an 'independent' software vendor are ending, ecosystems are coming together based on cloud-native platforms. Knowing how you can develop a platform that attracts and attaches value creators and where to join one will be crucial to the evolution of many firms as enterprise buyers look to simplify their service catalogues.



Developing revenue model innovation

Planning for the next stage of licensing and revenues. We've seen license & maintenance give way to subscription-based models, but as businesses take on more of the IT budget, software firms will need to learn from services companies how to develop outcome-based revenue models.



Continuously optimizing via purposeful solutioning

Partners with a vision of 'sand to cloud,' with a need for industry-centric solution built around industry platforms, purpose-built silicon for optimizing processing of applications and data in the cloud, edge, and on devices will require services and advisory firms to bulk up their solutions capabilities from point "best-in-class" service offerings.



Adopting a model embracing composable talent

High-tech firms, their partners, and their customers continue to go through a vicious cycle of talent attrition with key skills and resources cycling through each party. This creates a lag time between technology-led innovation and business-determined adoption. Services firms and their high-tech clients have an opportunity to create models where composable teams leveraging tech skills, industry, and domain knowledge — augmented by GenAI — are shared more equitably across the supply and demand parts of their own customer base.

2

Executive summary, methodology & value chain

Executive summary

1 Horizon 3 service providers revealed

We assessed 17 service providers across their value propositions (the why), execution and innovation capabilities (the what), go-to-market strategy (the how), and market impact criteria (the so what). There are seven (7) Horizon 3 leaders. In alphabetical order, they are Accenture, Capgemini, Encora, HCLTech, Persistent, TCS, and TechMahindra. These service providers have demonstrated their ability to support the customer experience function of enterprises in their journey from functional digital transformation in the high-tech industry to create new value through ecosystems. These leaders' shared characteristics include a strong focus on digital-first solutions, client and partner collaboration and co-innovation, and proven impact and business outcomes with clients.

2 Building models to improve go-to-market

The HFS Horizons model aligns closely with enterprise maturity. We asked the leaders we interviewed as references for this study to comment on the primary value their IT and business service provider partners deliver today and are expected to deliver in two years. With a focus on going to market, high-tech vendors seek partners that can combine cost savings potential with quality of delivery and supply key talent the customer may lack. For an advisory or implementation partner to succeed in the high-tech industry, it must be willing to communicate and collaborate effectively with its clients to address, monitor, and share in these desired outcomes.

3 Technical skills are crucial, build on this to forge deep GTM partnerships

While success in Horizon 1 is about bringing technical acumen to projects, the fundamental nature of high-tech is to be able to stand toe to toe with smart developers and dynamic teams. IT services and advisory firms will compete for any project based on the strength of their implementation skills, and their command of knowledge of each industry (semiconductor, software, hardware & networking, cybersecurity, and cloud/digital platforms). Further, these customers are seeking partners who also will invest in solutions that leverage the customers' technologies. Thus, they become both services partners and trusted market partners. Forging deep process, automation, data, and (now) GenAI solutions launches partners into H2, and empowering strong ecosystem synergies often leads to H3 outcomes.

4 High-tech customers want partners willing to put skin in the game

Feedback from multiple customer references conducted as part of this research illustrated just how important it is in 2024 for advisory and IT services firms to be willing to bring a combination of fixed-fee services and outcome-based or revenue-share models. In this highly disruptive market, high-tech vendors seek client-friendly commercial models to free up funds to bring solutions to market quickly and achieve planned ROI metrics. This also requires shared innovation, which leads clients to look to their partners to contribute to their innovation with talent, labs, and incorporation of emerging technologies into their ecosystem. Larger firms such as Wipro and Accenture have investment arms that fuel this, while smaller firms including Encora and Persistent look for target industry (medtech, fintech, etc.) innovators to bring ideas into projects.

5 GenAI skills will be critical

HFS interviewed 62 partners and customers as part of this research. 90% of clients and 97% of partners involved in helping these advisory and IT services firms bring solutions to the high-tech market indicated that the ability to incorporate GenAI would shape future business opportunities.

The study seeks to highlight how IT services and advisory firms create value for High-Tech companies

The future of the high-tech industry

What's your vision for the future of the high-tech industry? How can you help the industry or sub-industry evolve to meet these challenges?

Business transformation focus

What will it take to drive change in high-tech management beyond M&A and digital hygiene? What does end-to-end modernization look like when business, not IT, leads it?

Innovation

What are the critical innovations that will drive the high-tech market forward? If you focus on the overall industry or a sub industry, what are the unique solutions you are bringing to market?

Partner & customer ecosystems

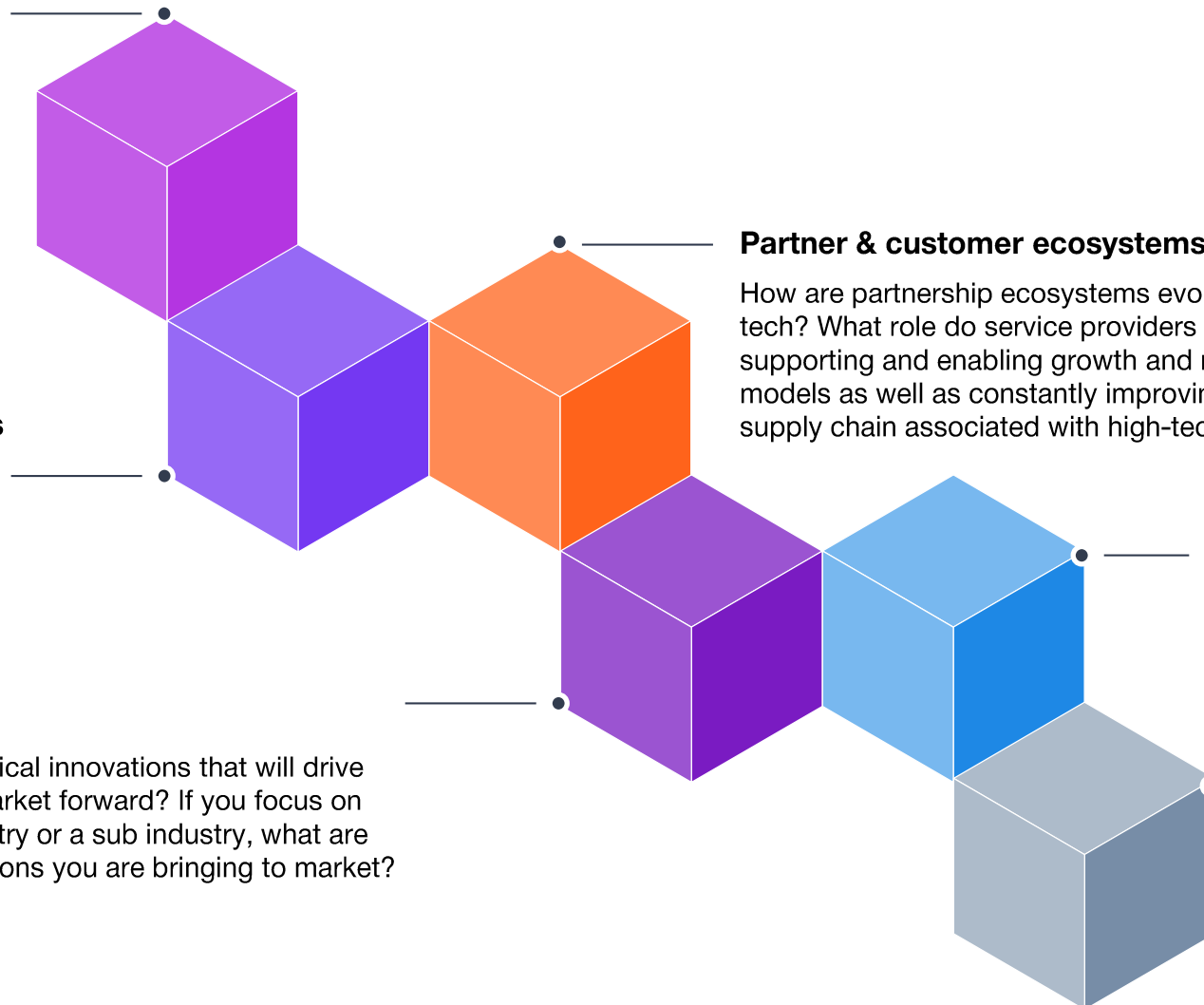
How are partnership ecosystems evolving in high-tech? What role do service providers play in supporting and enabling growth and new business models as well as constantly improving the global supply chain associated with high-tech?

Data, AI, & automation

How are partners using advances in data and AI to create real-time feedback loops, role-centric insights, product innovation, and automation tools to drive speed and agility?

Business outcomes

What are the key outcomes you're helping high-tech firms realize? How are you evolving your services to achieve these for your clients?



About the HFS Horizons methodology

Welcome to our **HFS Horizons: High-Tech Services, 2024** study. Horizons are HFS Research's [vendor evaluation research vehicle](#) designed to assess the **innovation and value potential** of vendor capabilities across three distinct horizons:

01 Horizon One

Functional transformation: Ability to adopt new solutions or services to improve business or technology outcomes to enhance product development, manufacturing, design, and digital engagement with their end-customers or partners.

02 Horizon Two

Enterprise transformation: Horizon 1 + Enablement of the **OneOffice™** model of end-to-end organizational alignment across the front, middle, and back offices to drive unmatched stakeholder experience as data and insights become shareable and easier to collaborate upon across lines of business.

03 Horizon Three

Ecosystem transformation. Horizon 2 + Ability to drive **OneEcosystem™** impact via collaboration across the complex supply chain associated with global high-tech firms. Services from leading firms help clients establish and execute shared objectives to drive new sources of value.

This research evaluates how service providers help their **high-tech clients** embrace practical services through innovation **and value realization**. The study examines services providers' capabilities in the HFS high-tech value chain based on a range of dimensions to understand the **Why, What, How, and So What** of their offerings.

High-Tech Services Horizon inclusion criteria

This study focuses on diversified providers of **IT and business process services** with **established high-tech business lines** that support the **industry-specific needs of technology firms across semiconductor, hardware & networking, software, and cloud/digital platforms**.

Participation guideline includes:



Revenue

Annual high-tech industry services revenues of **at least \$250M**



Services

An existing portfolio of industry-specific **services spanning the HFS high-tech value chain**

The following slide includes a full list of the providers we cover. Based on our research, each provider meets our criteria and we invited them to participate. While we do not require an active briefing or participation, we are applying a no-opt-out policy as each of these companies brings significant and comparable capabilities that will benefit buyers seeking comparable insights from this research.

IT service and advisory providers covered in this report

accenture

brillio

Capgemini

cognizant

encora

<epam>

EY
Building a better
working world

genpact

HCLTech

Infosys®
Navigate your next

Persistent

SONATA
SONATA SOFTWARE

SUTHERLAND®

tcs TATA
CONSULTANCY
SERVICES

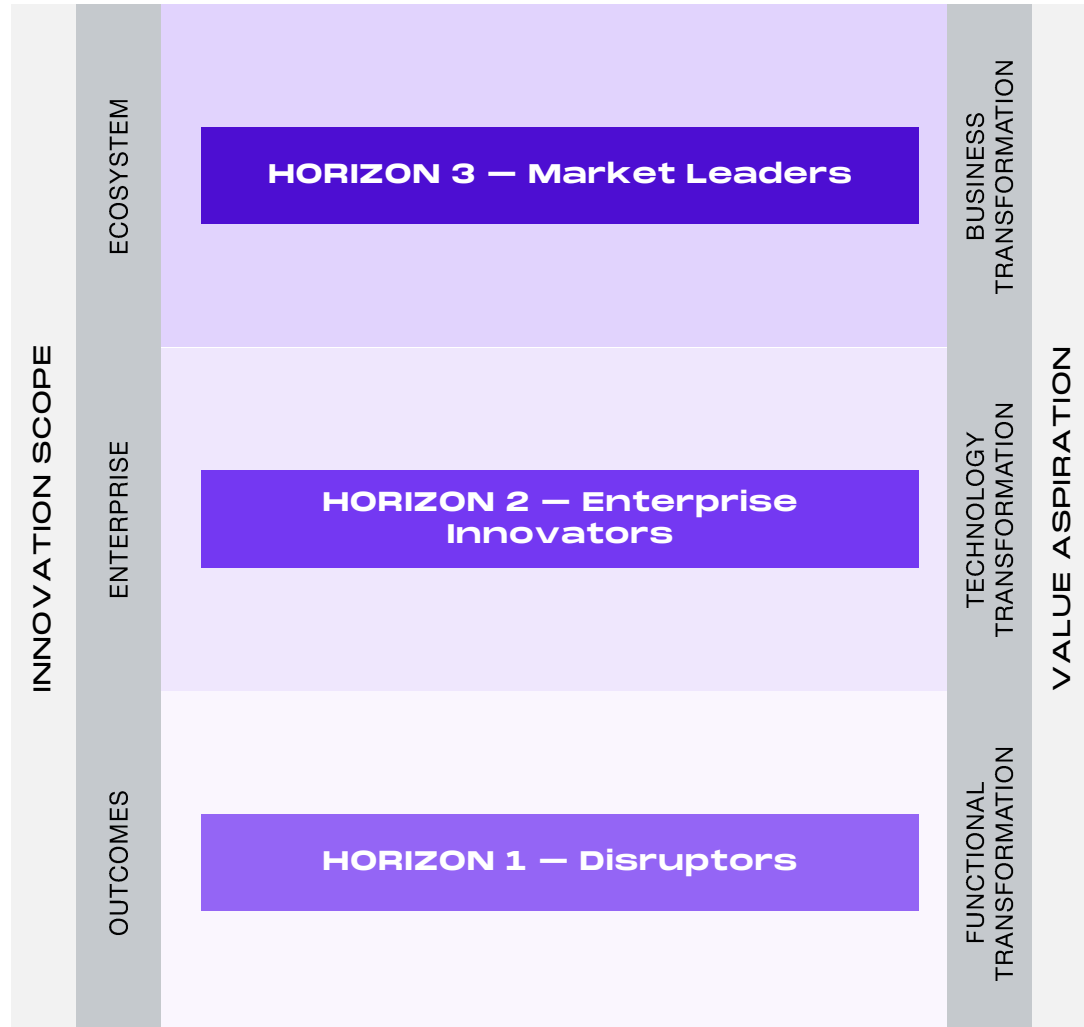
TECH
mahindra

virtusa

wipro

Note: Service providers are listed alphabetically

HFS Horizons for high-tech services



Business transformation is Horizon 3

Horizon 3 service providers demonstrate:

- Horizon 2 +
- Ability to drive a **“OneEcosystem” synergy** via collaboration to create completely **new sources of value for the business**
- Strategy and execution capabilities at scale
- Well-rounded capabilities across all value creation levers: talent, domain, technology, data, and change
- Driving co-creation with clients as ecosystem partners
- Referenceable and satisfied clients driving new business models with the partnership

Technology-led transformation is Horizon 2

Horizon 2 service providers demonstrate:

- Horizon 1 +
- Using technology to drive a **“OneOffice” model of end-to-end organizational alignment** across the front, middle, and back offices to transform **stakeholder experiences**
- Ability to support clients aligning customer and employee experience
- Global capabilities with strong consulting, technical, or business advisory skills
- Capability to deliver business transformation via ongoing, multiyear managed services
- Proven and leading-edge proprietary tools, assets, and frameworks
- Referenceable and satisfied clients for ability to innovate

Functional transformation is Horizon 1

Horizon 1 service providers demonstrate:

- Ability to drive **improved operational outcomes**
- Driving cost reduction, speed, and efficiency
- Adopt strong implementation practices
- Offshore-focused with strong technical skills
- Robust fundamentals of cloud transformation
- Referenceable and satisfied clients for ability to execute

Sources of data

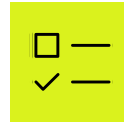
This Horizons research report relies on myriad data sources to support our methodology and enable HFS to obtain a well-rounded perspective on the service capabilities of the participating organizations covered in our study. Sources are as follows:



Briefings and information gathering

HFS conducted detailed **briefings** with customer experience leadership from each vendor.

Each participant submitted a specific set of **supporting information** aligned to the assessment methodology.



Reference checks

We conducted reference checks with **30 active clients and 31 active partners** of the study participants via survey-based and telephone interviews.



HFS Pulse

Each year, HFS fields multiple demand-side surveys in which we include detailed vendor rating questions. For this study, we leveraged our fresh-from-the-field HFS Pulse study data.



Other data sources

Public information such as news releases and websites.

Ongoing interactions, briefings, virtual events, etc., with in-scope vendors and their clients and partners.

Horizons assessment methodology – high-tech industry

The “**HFS Horizons: high-tech services, 2024**” evaluates the capabilities of service providers across a range of dimensions to understand the **Why, What, How, and So What** of their **high-tech industry** service offerings. Our assessment will be based on input from clients, partners, and service firms and augmented with analyst perspectives. The following illustrates how we will assess these capabilities.

← Distinguishing High Tech service providers characteristics →

| Assessment dimension | Assessment sub-dimension | Horizon 1 service providers | Horizon 2 service providers | Horizon 3 service providers | | | | |
|--|---|---|---|--|--|---|---|---|
| Value proposition: The Why? (25%) | <ul style="list-style-type: none"> Ability to provide access to skills to with industry experience and know-how to improve technology, business process, cost management, and labor arbitrage. | <ul style="list-style-type: none"> Ability to drive functional business outcomes through cost reduction, speed, and efficiency (e.g., showcase the ability to deliver a service framework that is appealing and relevant to the high-tech sector with offshore talent, partnerships, and a clear value proposition) | <ul style="list-style-type: none"> Horizon 1 + Enablement of the “OneOffice” model of end-to-end organizational alignment across the front, middle, and back offices to create stakeholder experience (EX, PX, CX) that encourages collaboration on problem resolution and usage of data from multiple LOBs to execute against the customer’s mission. | <ul style="list-style-type: none"> Horizon 2 + Ability to drive “OneEcosystem” synergy via collaboration across multiple organizations with common objectives around driving completely new sources of value by bringing frameworks, IP, and partnerships that are in tune with the high-tech industry's unique needs and values. | | | | |
| | <ul style="list-style-type: none"> Competitive differentiators of service portfolio and IP | | | | Execution and innovation capabilities: The What? (25%) | <ul style="list-style-type: none"> Breadth and depth of services across the high-tech industry value chain | <ul style="list-style-type: none"> Ability to apply services models and solutions to address aspects of the high-tech industry value chain Primarily focused on either technology services or business services Offshore-focused with strong technical skills and technical partners Limited industry-specific IP | <ul style="list-style-type: none"> Horizon 1 + Ability to support clients across most (at least 75%) of the high-tech services value chain Global delivery presence Strong industry-specific talent pool across IT and operations domains Labor and leadership capabilities across all the creation of value levers of talent, domain, technology, data, sustainability, and change management |
| Execution and innovation capabilities: The What? (25%) | <ul style="list-style-type: none"> Breadth and depth of services across the high-tech industry value chain | <ul style="list-style-type: none"> Ability to apply services models and solutions to address aspects of the high-tech industry value chain Primarily focused on either technology services or business services Offshore-focused with strong technical skills and technical partners Limited industry-specific IP | <ul style="list-style-type: none"> Horizon 1 + Ability to support clients across most (at least 75%) of the high-tech services value chain Global delivery presence Strong industry-specific talent pool across IT and operations domains Labor and leadership capabilities across all the creation of value levers of talent, domain, technology, data, sustainability, and change management | <ul style="list-style-type: none"> Horizon 2 + Comprehensive coverage across the high-tech services industry value chain and beyond Provide both IT and business services capabilities with strong consulting skills on emerging tech and business models Robust ecosystem of partners integrated into the offerings Differentiated IP, frameworks, and technology assets | | | | |
| | <ul style="list-style-type: none"> Ability to offer cost models that are in-line with the services needed for talent, technology, and process | | | | | | | |
| | <ul style="list-style-type: none"> A partner ecosystem that differentiates high-tech industry services that attracts executive (non-IT sponsorship) | | | | | | | |
| | <ul style="list-style-type: none"> Ability to partner across business and IT teams to co-create new offerings based on insights gained from multiple touch points in the organization. | | | | | | | |

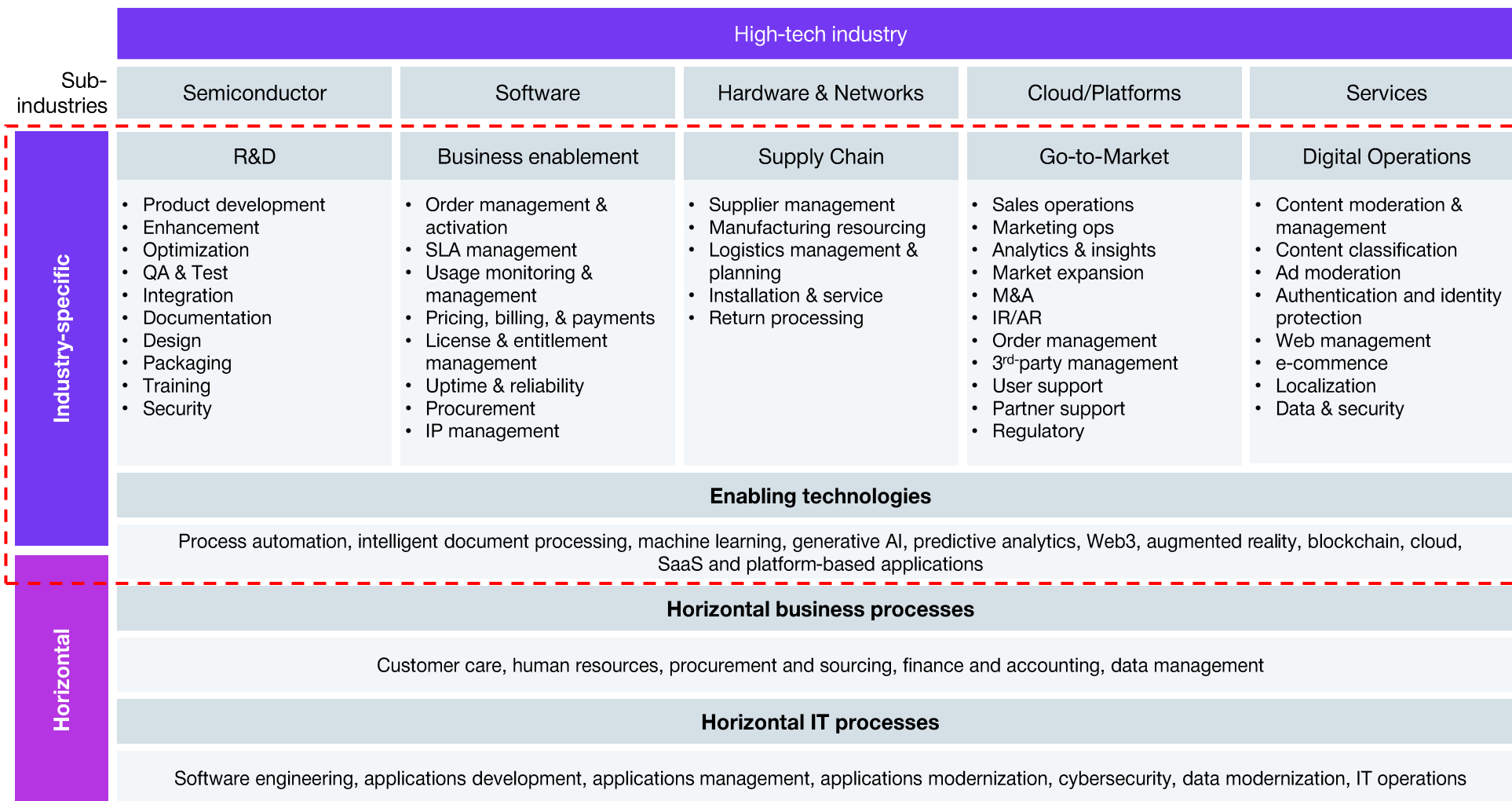
Horizons assessment methodology – high-tech industry

The “**HFS Horizons: high-tech services, 2024**” evaluates the capabilities of service providers across a range of dimensions to understand the **Why, What, How, and So What** of their **high-tech industry** service offerings. Our assessment will be based on input from clients, partners, and service firms and augmented with analyst perspectives. The following illustrates how we will assess these capabilities.

← Distinguishing High Tech service providers characteristics →

| Assessment dimension | Assessment sub-dimension | Horizon 1 service providers | Horizon 2 service providers | Horizon 3 service providers |
|---|---|--|---|---|
| Go-to-market strategy: The How? (25%) | <ul style="list-style-type: none"> • Proof of co-innovation and collaboration approaches leading to value creation | <ul style="list-style-type: none"> • Well-defined high-tech industry practice • Clearly defined go-to-market strategy with KPIs • Mainly effort-driven client relationships • Investments aligned to functional business outcomes set by customer and achieved by service firm • Delivery of solutions developed by the services firm or its partners | <ul style="list-style-type: none"> • Horizon 1 + • Articulate how high-tech industry value chain capabilities have led to the client improving business operations • Examples of where the services firm has put ‘skin in the game’ for outcome-based engagements • Examples of co-created innovations for high-tech industry with partners | <ul style="list-style-type: none"> • Horizon 2+ • Investments aligned to Horizons 1, 2 and ecosystem enablement • Examples of co-creation with customers and partners to create new sources of value • Purpose-led relationships driving growth and innovation for clients • Demonstrate executive-level engagement — both SP and client — with programs |
| | <ul style="list-style-type: none"> • Frameworks that address multiple aspects of the value chain of services in high-tech | | | |
| | <ul style="list-style-type: none"> • Voice of partners | | | |
| Market impact: The So What? (25%) | <ul style="list-style-type: none"> • Demonstrated ability to transition to technology-arbitrage models, focus less on outsourcing and more on enablement | <ul style="list-style-type: none"> • Proven scale and growth driven by functional optimization focus • Referenceable and satisfied clients • Strong execution credentials • Primarily a vendor-client relationship • Strong CIO/CTO partnership | <ul style="list-style-type: none"> • Horizon 1+ • Referenceable and satisfied clients for ability to innovate and execute • Examples of how services firm has strategy ISV, SaaS, or hyperscaler partnerships tuned to the High-Tech industry • Show how services from partner are seen as having a direct correlation to the success of one or more line-of-business | <ul style="list-style-type: none"> • Horizon 2+ • Referenceable and satisfied clients driving new business models • Perceived as a thought leader in services unique to the high-tech industry • Examples of how partner is providing innovation through the data across a customer’s ecosystem to IT and the business |
| | <ul style="list-style-type: none"> • Client adoption of IP or solutions as part of their engagements with their supply chain or customer ecosystem | | | |
| | <ul style="list-style-type: none"> • Demonstrable how generative AI solutions developed by the services partner can be adopted by the high-tech industry | | | |

High-Tech Services Value Chain



Study focus

Q: How do differentiate your services for your buyer?

Q: Where have you created unique offerings?

An industry view of front-, middle-, and back-office functions representing current and evolving high-tech functions.

Q: How are you transforming these functions and creating new models?

Critical enabling technologies underpinned by business processes and IT services.

Q: How are these used in a high-tech context to drive modernization, transformation, and clear value and impact?

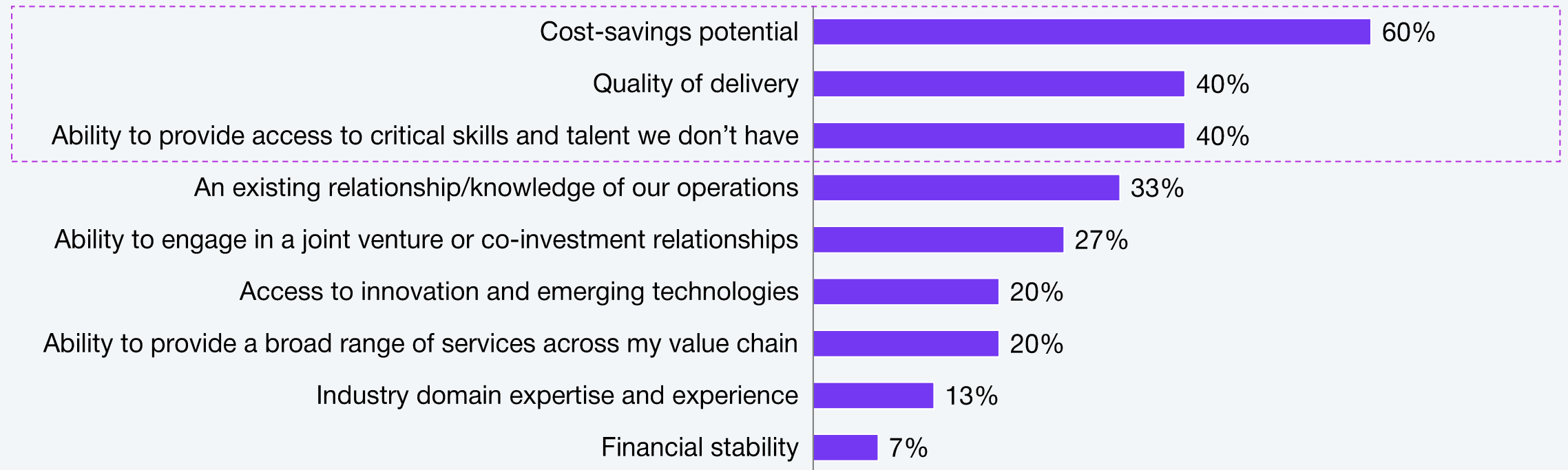
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Insights from Voice of Customer/Partners

Cost savings, quality of delivery, and access to critical skills and talent form the core reasons for picking the specific high-tech service providers

How did you pick this service provider? Please rank the top three criteria.

(Combined Rank 1+2+3)% exhibited in the chart

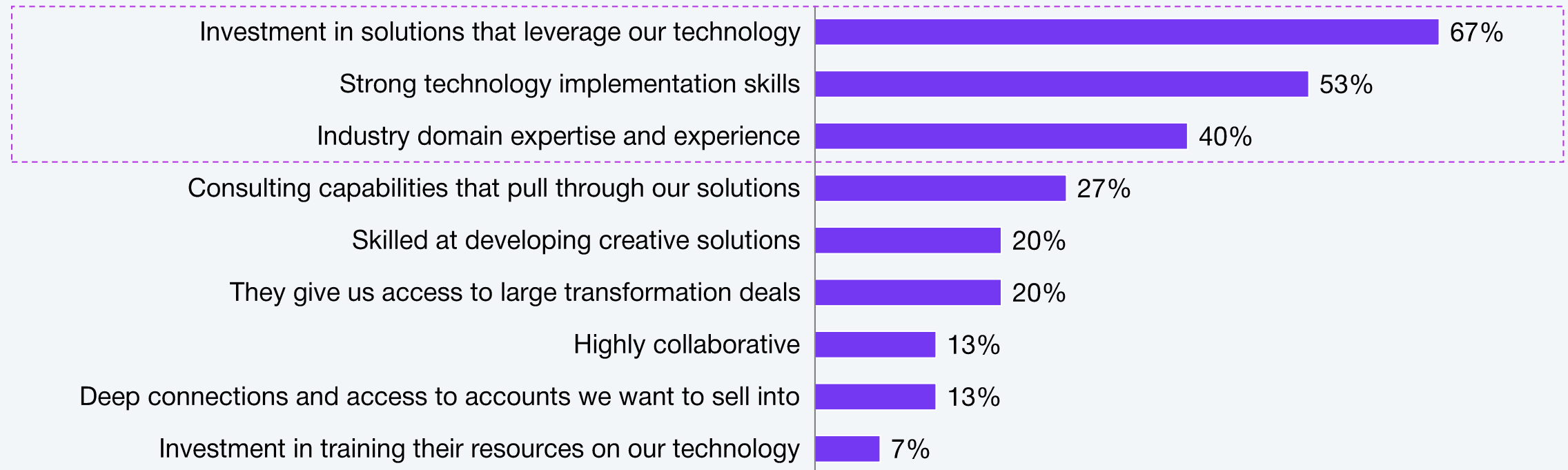


Sample: HFS Horizons study, High Tech service providers, 30 client references
Source: HFS Research, 2024

Partners primarily choose high-tech service providers based on the availability of solutions that leverage partner tech, strong tech implementation capabilities, expertise, and experience

Why do you partner with this service provider? Please rank the top three criteria.

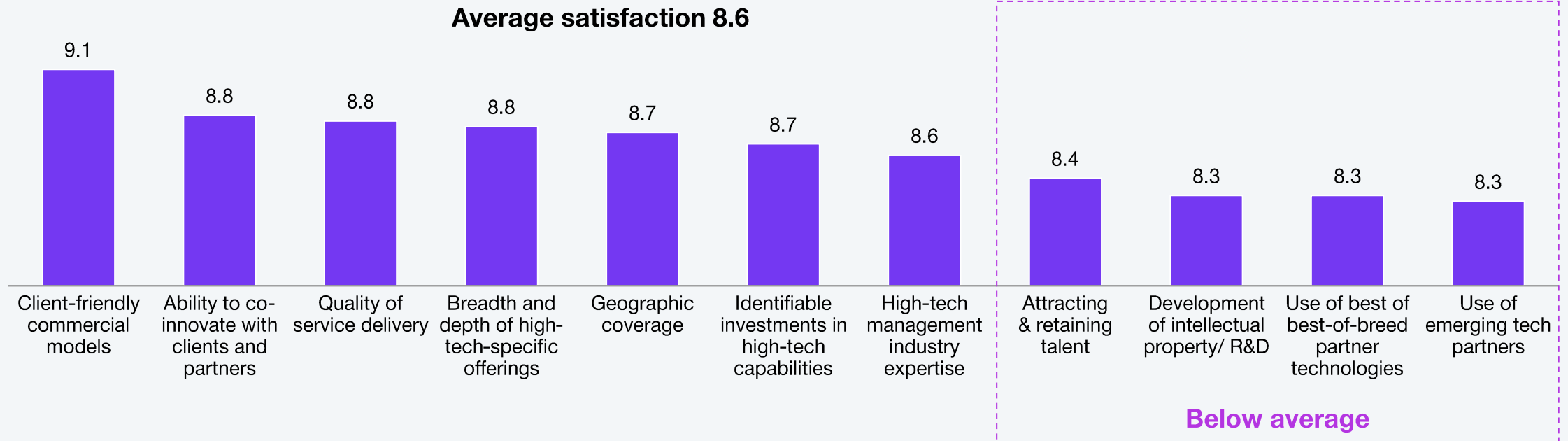
(Combined Rank 1+2+3)% exhibited in the chart



Sample: HFS Horizons study, High Tech service providers, 30 client references
Source: HFS Research, 2024

Per clients, high-tech service providers are best at delivering on creative commercial models, execution, and investments in high-tech

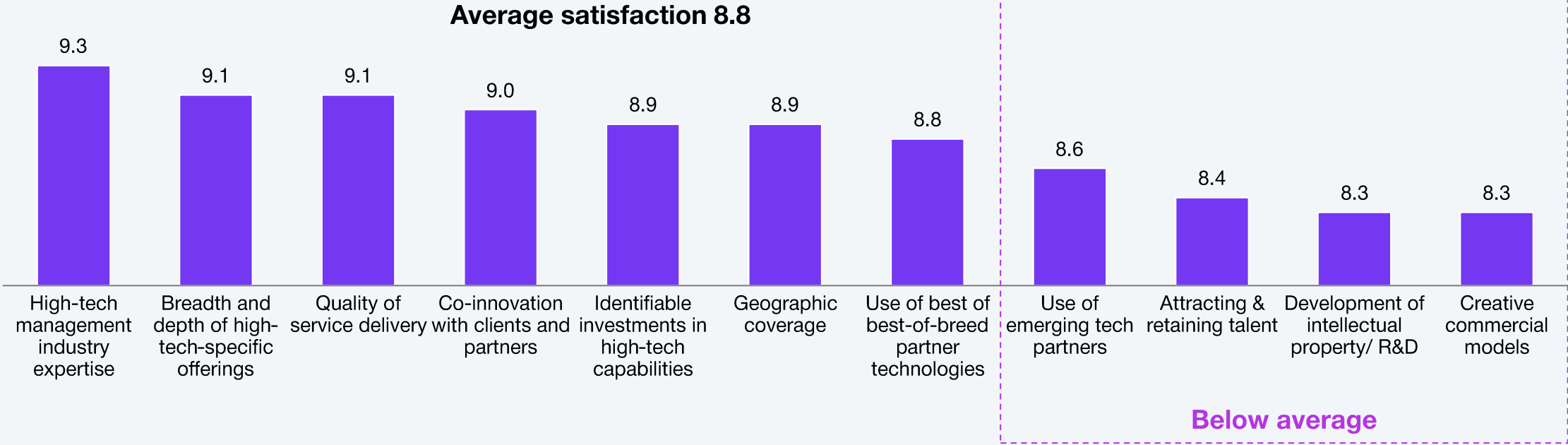
Based on your experience, please rate the service provider across the following parameters. Please use a scale of 1 to 10 where 1 is poor and 10 is excellent.
(mean score shown in the chart)



Sample: HFS Horizons study, High Tech service providers, 30 client references
Source: HFS Research, 2024

Per partners, industry expertise, execution, co-innovation, and collaboration with partners are some of the areas in which high-tech service providers are delivering well

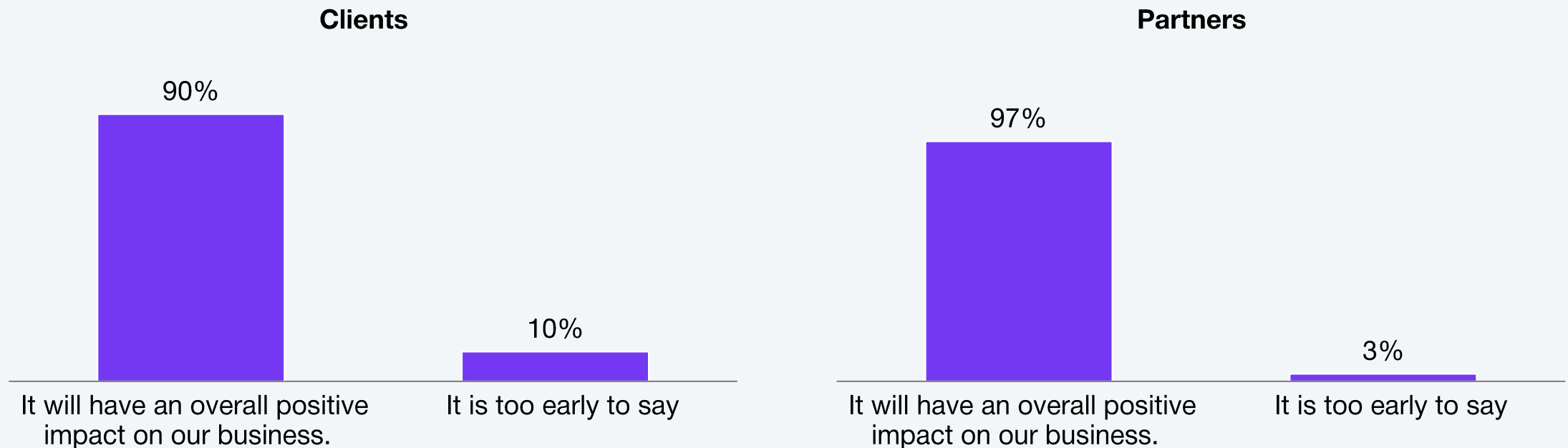
Based on your experience, please rate the service provider across the following parameters. Please use a scale of 1 to 5 where 1 is poor and 5 is excellent.
(mean score shown in the chart)



Sample: HFS Horizons study, sourcing and procurement service providers, 31 partner references
Source: HFS Research, 2024

High-tech enterprises and partners strongly believe that GenAI will have a positive impact on their business

What do you think the overall impact of generative AI will be on your business over the next 12 to 18 months?
(Select one option)



Sample: HFS Horizons study, High Tech service providers, 30 client references and 32 partner references
Source: HFS Research, 2024

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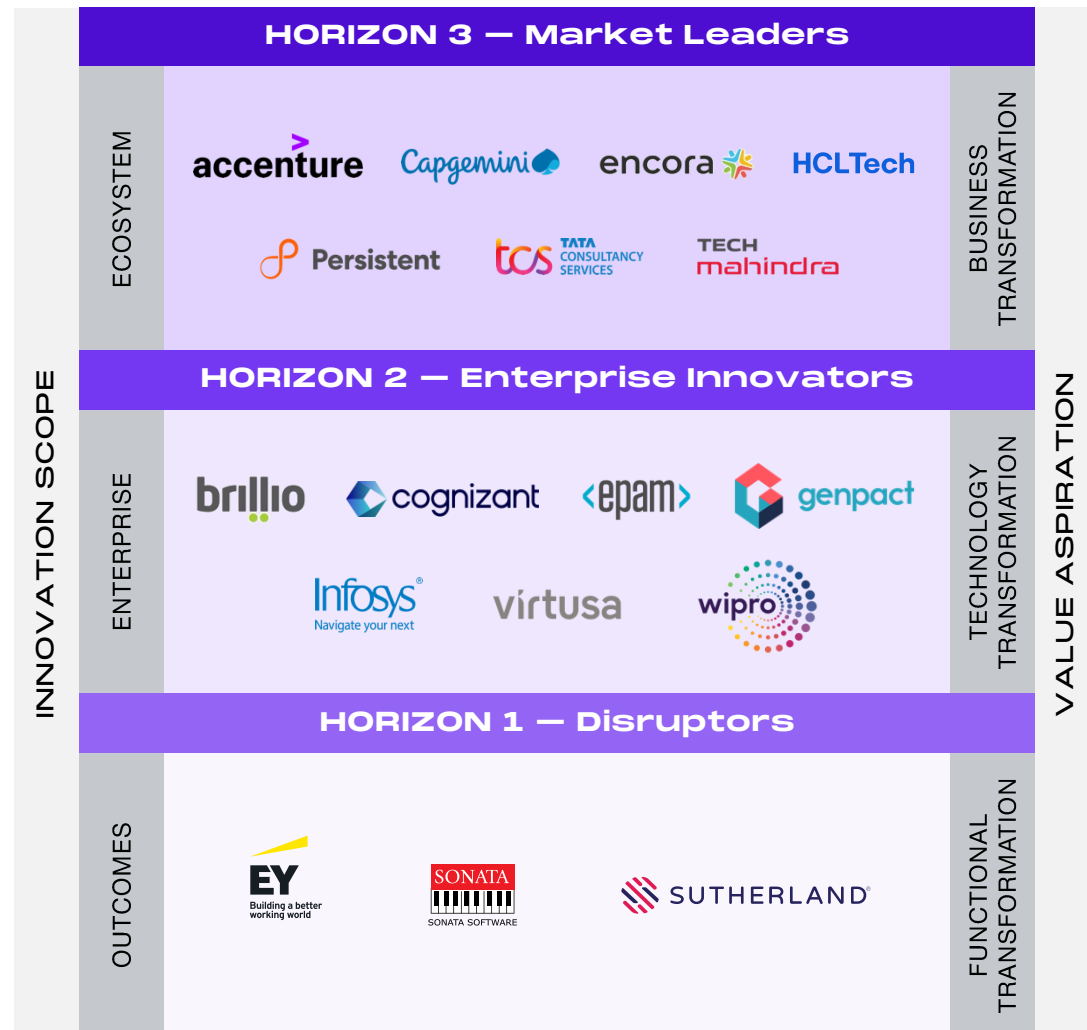
Horizons results: High-Tech Services, 2024

HFS Horizons—a summary of high-tech service providers assessed in this report

| Providers (alphabetical order) | HFS point of view |
|-----------------------------------|---|
| Accenture | Applying global capabilities and domain expertise to help clients create end-to-end solutions from semiconductor to cloud |
| Brillio | Bringing a software-engineering mindset to help tech and business use emerging tech to digitally transform operations |
| Capgemini | Excelling at helping clients use a product-centric mindset to accelerate shared go-to-market goals |
| Cognizant | Offering a holistic solution and partner ecosystem led by deep industry domain knowledge and GenAI capabilities |
| Encora | Providing digital engineering services tailored to delivering transformation with GenAI and LLM engineering capabilities |
| EPAM | Focusing on automation, security, and software engineering capabilities that align business goals with tech-led transformation |
| EY | Applying industry advisory capabilities to drive business outcomes and tech-led innovation through automation |
| Genpact | Helping clients to capture new growth opportunities by streamlining how tech supports their business teams |
| HCLTech | Assisting clients in reimagining solutions by bringing engineering capabilities, domain expertise, and diversified partnerships |

| Providers (alphabetical order) | HFS point of view |
|-----------------------------------|--|
| Infosys | Implementing solutions by finding creative ways for customers and partners to work together to accelerate time to market |
| Persistent | Helping clients modernize by focusing on how a platform approach can unify efforts of tech and business |
| Sonata | Leveraging powerful ecosystem relationships to help clients transform solutions with data-led innovation |
| Sutherland | Ensuring clients receive value from investments by staying close through their commercialization of outcomes |
| TCS | Providing a complete bill of services built on talent, platform enablement, and partnerships to create value |
| Tech Mahindra | Enabling success by helping clients build connected experiences and transforming how value is delivered |
| Virtusa | Providing unique IP and industry domain expertise for clients seeking to be more agile in how they deliver solutions |
| Wipro | Bringing talent innovation, investments in emerging tech, and industry knowledge to a client engagement lifecycle |

HFS Horizons: High-Tech Services, 2024



Business transformation is Horizon 3

Horizon 3 service providers demonstrate:

- Horizon 2 +
- Ability to drive a **“OneEcosystem” synergy** via collaboration to create completely **new sources of value for the business**
- Strategy and execution capabilities at scale
- Well-rounded capabilities across all value creation levers: talent, domain, technology, data, and change
- Driving co-creation with clients as ecosystem partners
- Referenceable and satisfied clients driving new business models with the partnership

Technology-led transformation is Horizon 2

Horizon 2 service providers demonstrate:

- Horizon 1 +
- Using technology to drive a **“OneOffice” model of end-to-end organizational alignment** across the front, middle, and back offices to transform **stakeholder experiences**
- Ability to support clients aligning customer and employee experience
- Global capabilities with strong consulting technical or business advisory skills
- Capability to deliver business transformation via ongoing, multiyear managed services
- Proven and leading-edge proprietary tools, assets, and frameworks
- Referenceable and satisfied clients for ability to innovate

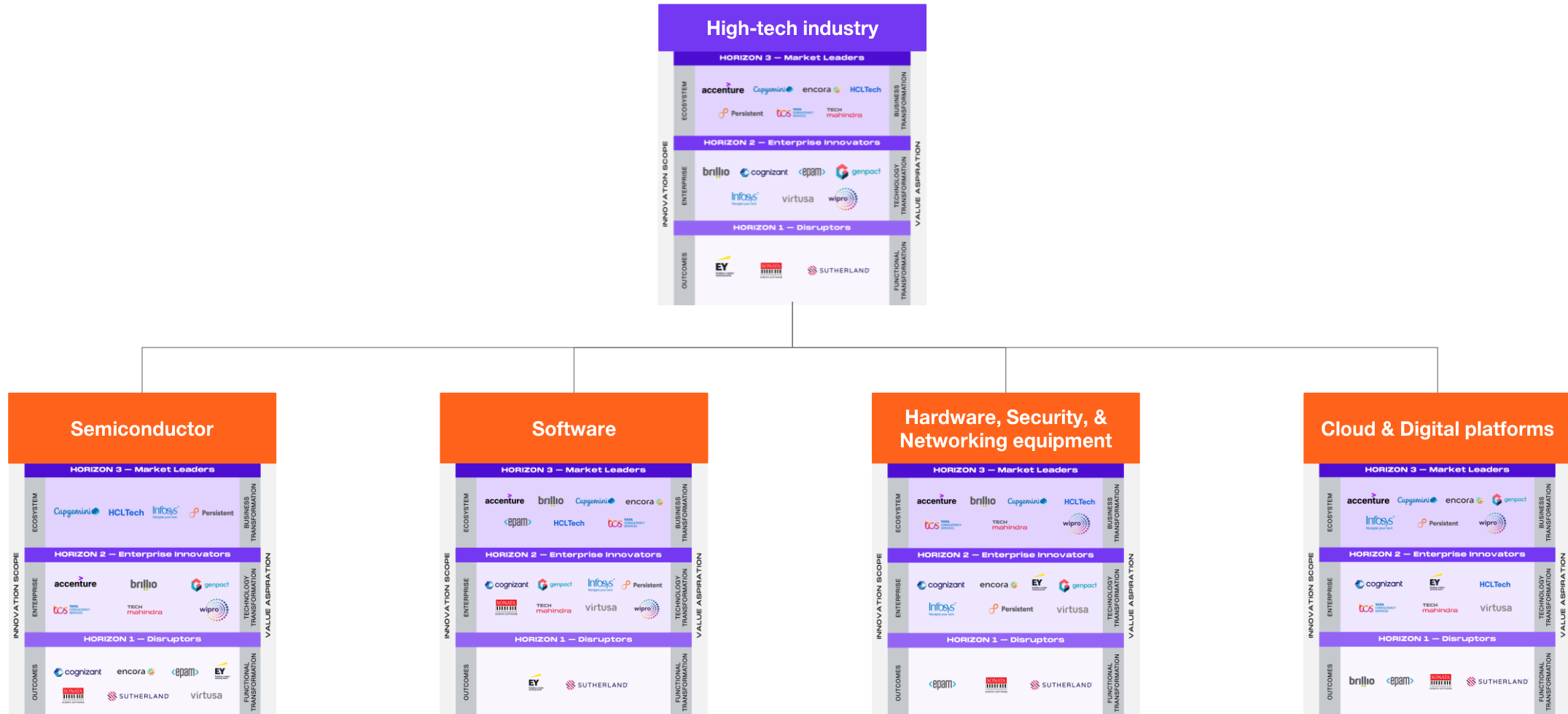
Functional transformation is Horizon 1

Horizon 1 service providers demonstrate:

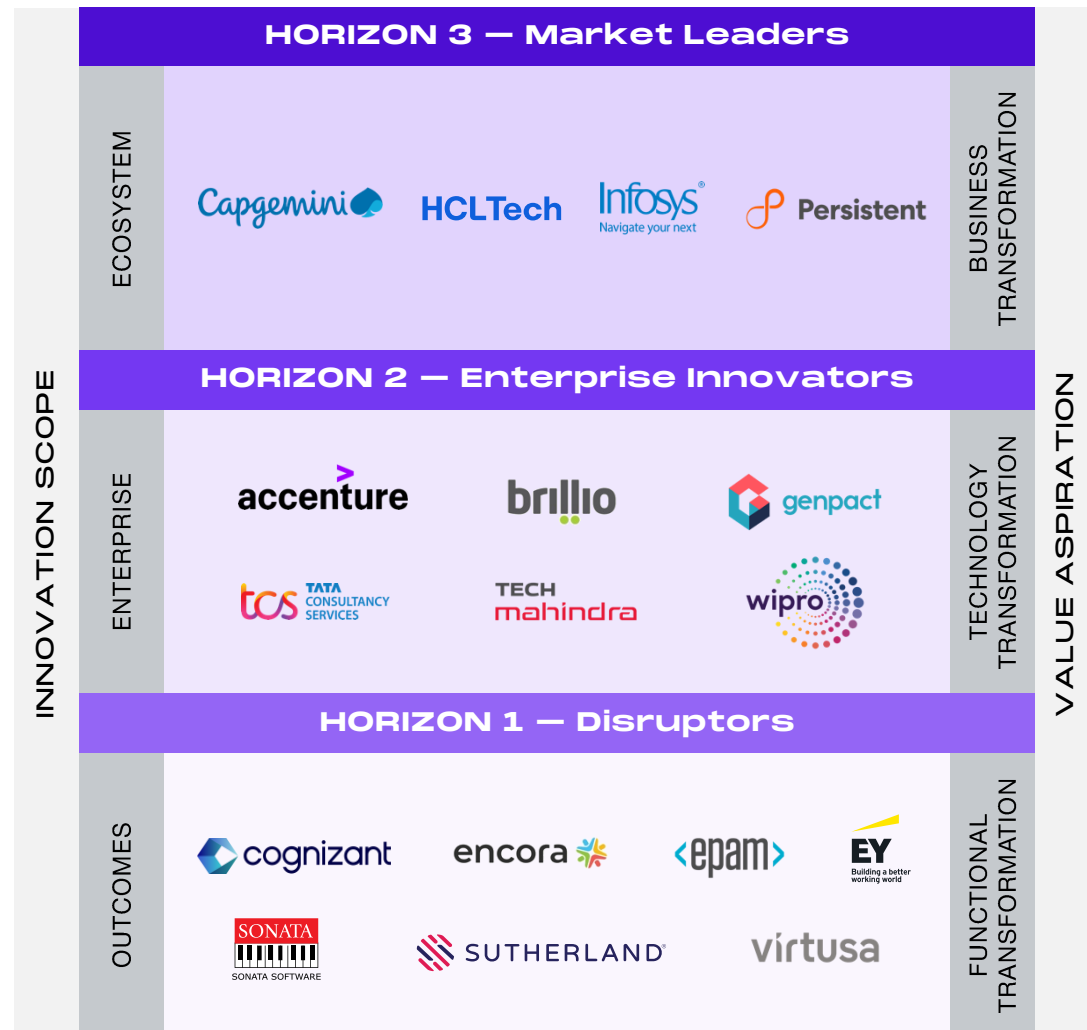
- Ability to drive **improved operational outcomes**
- Driving cost reduction, speed, and efficiency
- Adopt strong implementation practices
- Offshore-focused with strong technical skills
- Robust fundamentals of cloud transformation
- Referenceable and satisfied clients for ability to execute

Horizons services ranking by high-tech subindustries

The complexity of the high-tech market results in expertise and unique IP and partnerships leading to exceptional outcomes in the areas of semiconductor, software, hardware & networking (OEMs), and cloud/digital platforms. With the insights gained from research, interviews, partner, and customer references these IT services and advisory vendors have also been classified in the following high-tech sub-industry Horizons.



HFS Horizons: High-Tech Services, 2024: Semiconductor



Business transformation is Horizon 3

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- Horizon 2 +
- Ability to drive a **“OneEcosystem” synergy** via collaboration to create completely **new sources of value for the business**
- Strategy and execution capabilities at scale
- Well-rounded capabilities across all value creation levers: talent, domain, technology, data, and change
- Driving co-creation with clients as ecosystem partners
- Referenceable and satisfied clients driving new business models with the partnership

Technology-led transformation is Horizon 2

Horizon 2 service providers demonstrate:

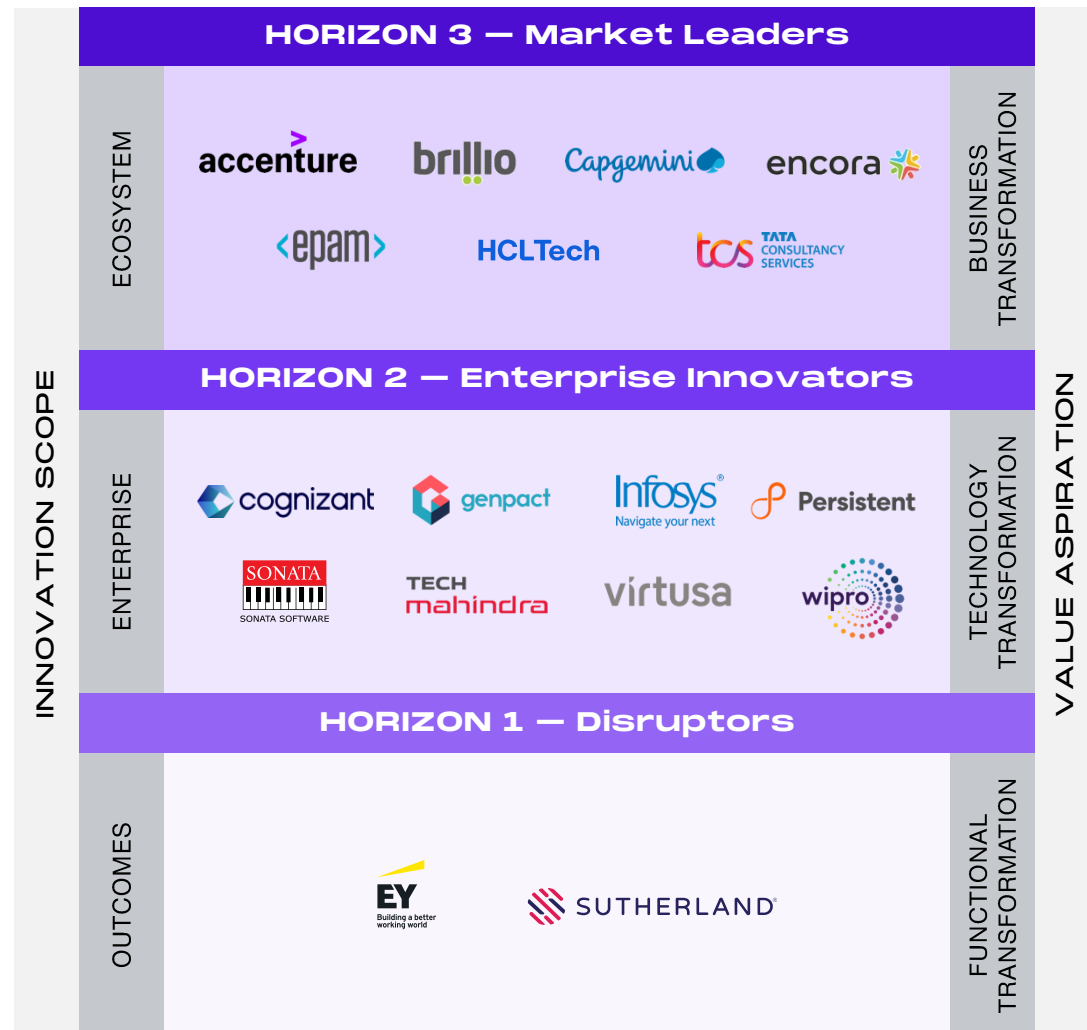
- Horizon 1 +
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HFS Horizons: High-Tech Services, 2024: Software



Business transformation is Horizon 3

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- Strategy and execution capabilities at scale
- Well-rounded capabilities across all value creation levers: talent, domain, technology, data, and change
- Driving co-creation with clients as ecosystem partners
- Referenceable and satisfied clients driving new business models with the partnership

Technology-led transformation is Horizon 2

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- Horizon 1 +
- Using technology to drive a **“OneOffice” model of end-to-end organizational alignment** across the front, middle, and back offices to transform **stakeholder experiences**
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HFS Horizons: High-Tech Services, 2024: Hardware & Networking



Business transformation is Horizon 3

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- Well-rounded capabilities across all value creation levers: talent, domain, technology, data, and change
- Driving co-creation with clients as ecosystem partners
- Referenceable and satisfied clients driving new business models with the partnership

Technology-led transformation is Horizon 2

Horizon 2 service providers demonstrate:

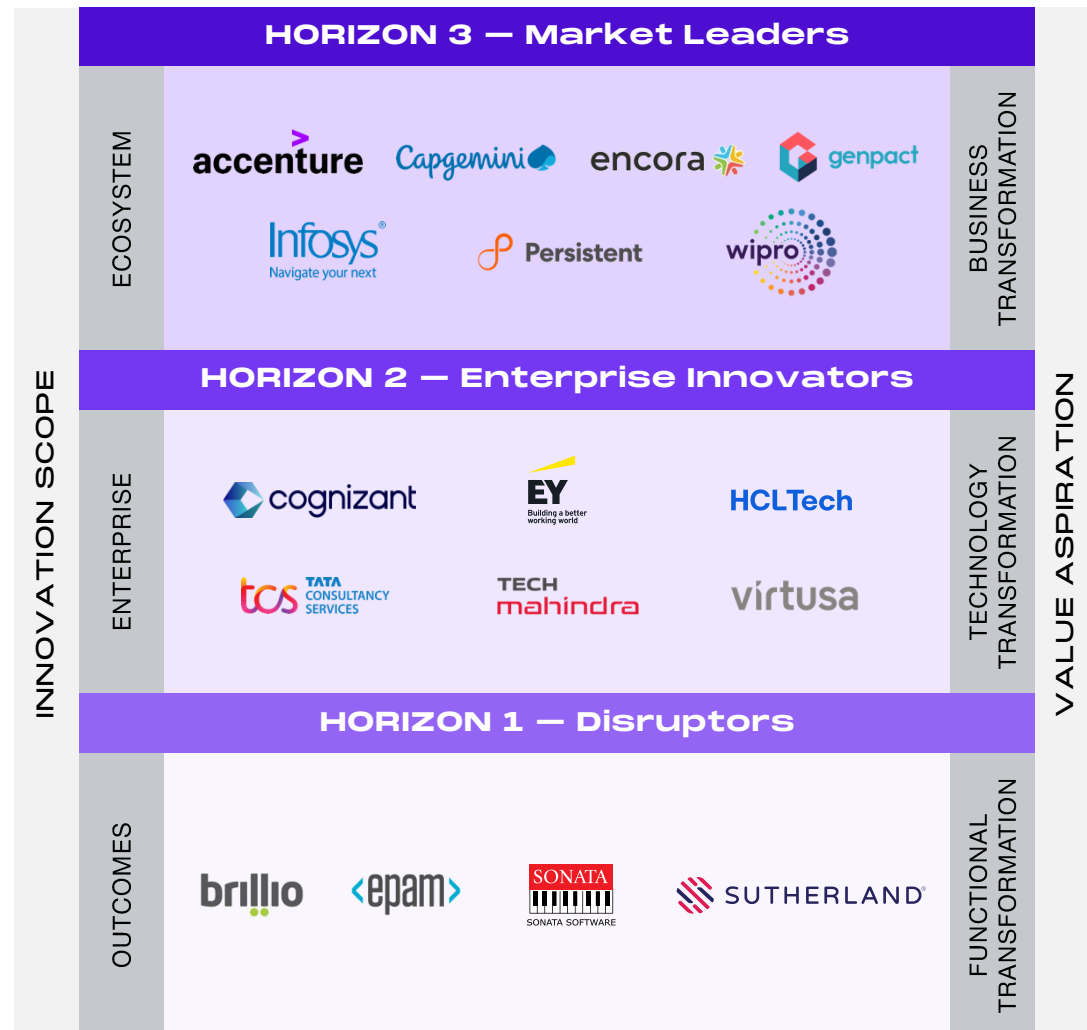
- Horizon 1 +
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HFS Horizons: High-Tech Services, 2024: Cloud & Digital Platforms



Business transformation is Horizon 3

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- Strategy and execution capabilities at scale
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- Referenceable and satisfied clients driving new business models with the partnership

Technology-led transformation is Horizon 2

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Capgemini profile: High-Tech Services, 2024

Capgemini: Excelling at helping clients use a product-centric mindset to accelerate shared go-to-market goals

| |
|---|
| HORIZON 3 – Market Leader |
|  |
| HORIZON 2 – Enterprise Innovator |
| HORIZON 1 – Disruptor |

| Strengths | Development opportunities |
|--|--|
| <ul style="list-style-type: none"> • Value proposition: Capgemini’s focus is to help clients define and build solutions that can capture new revenue for their products through software engineering, product design, industry vertical knowledge, and deep process knowledge. • Key differentiators: High-tech companies can benefit from Capgemini’s capabilities that extend across technology stacks, data, security, product engineering, innovation, and business transformation. Capgemini brings a product-centric mindset that aids their customer engagement, bridging technology and business to help steer investments toward channels where the firm can improve its ability to monetize or optimize operations. • Outcomes: Capgemini worked with a large search technology provider to modernize its data fabric using a public and private cloud offering. This customer was able to adopt, deploy, and support a more dynamic data fabric needed to differentiate itself in the regulated financial services industry while reducing operational complexity and overhead. • Customer kudos: A customer cites Capgemini’s ability to help it deliver tech-driven business outcomes with committed partnership that proactively seeks to improve operations with the right technologies, partners, and commercial models. • Partner kudos: A partner referenced Capgemini’s deep industry expertise and breadth of services as key strengths. | <ul style="list-style-type: none"> • What we’d like to see more of: Clients are aware of Capgemini’s software engineering and modernization (data and cloud) capabilities; however, many are not considering how Capgemini can help with value-added product execution and revenue capture (monthly revenue recognition models) to aid their business leaders grow revenue to aid their business revenue growth. • Room for growth: Capgemini must continue to embrace outcome-based commercial models, as adopting these will prove its commitment to be a strategic partner for aiding clients’ ‘getting to market’ needs. • Customer critiques: A client mentioned the need to focus on innovative go-to-market and driving new commercial models. • Partner critiques: A partner wants Capgemini to invest more in emerging tech-related solution development. |

| Relevant M&A and partnerships | Key clients | Global operations and resources | Flagship internal IP |
|--|---|--|--|
| <p>Recent Acquisitions:</p> <ul style="list-style-type: none"> • Unity Digital Twin Services, EasyIC Design, BigTree Technology and Consulting, 23red, HDL Design House, Aodigy, KONEXUS Consulting <p>Partnerships:</p> <ul style="list-style-type: none"> • Adobe, Arm, AWS, Dassault Systems, Intel, Google Cloud, Oracle, IBM, Microsoft, Salesforce, VMware | <p>Clients:</p> <ul style="list-style-type: none"> • Cisco, Canon, Panasonic, HP, Dell, SAP, Sage, Arm, Broadcom, Qualcomm, ASML, Intel, Micron | <p>High-Tech industry headcount:</p> <ul style="list-style-type: none"> • Practice leads/partners/VPs: 100+ • Project leaders: >300 • Technical talent: ~10,000 • Business consulting/advisory talent: 20+ • Near shore resources (by region): >2,000 • Offshore resources (by region): >7,000 | <ul style="list-style-type: none"> • Intelligent Edge Application Platform (IEAP) • Andy 3D • ADAS V&V Platform • Quantum Lab • Cortex AI Academy • 5G Lab as a Service • 150+ licensed Software Frameworks |

Note: Ranking based on overall Horizon position, position in subindustries may differ.

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authors**

HFS Research authors



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Executive Research Leader

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Joel is the executive research leader for HFS's technology, media, and telecommunications research at HFS. He is also the lead subject matter expert for IT services around application modernization solutions.

Joel brings nearly three (gulp!) decades of experience as an analyst, consultant, software product manager, and marketing professional. He is driven by a curious mind that has followed, analyzed, consulted, and implemented solutions from data networking to large ERP projects. He is passionate about helping enterprises understand applications are evolving to meet business needs, rather than being a magical technology

Joel holds a degree in management information systems from the University of Houston and has been living and working internationally since 1997. He currently resides in Ottawa, Canada. Before HFS, Joel worked for leading companies, including Microsoft (Software), TechInsights (Semiconductor), Crypto4A (Security), and ITRG and IDC (Analyst firms), where he developed products, consulting, and marketing strategies.



Hridika Biswas

Senior Analyst

hridika.biswas@hfsresearch.com

Hridika joined the HFS team in 2021. She focuses on the F&A and general and business process outsourcing domains. She also analyzes how emerging tech, mainly process intelligence, intelligent document processing (IDP), and artificial intelligence (AI), can enable enterprises to reach their transformation goals.

Hridika's background includes seven years of experience in quantitative research and analysis with Kantar. She also serviced British American Tobacco, catering to the company's primary and secondary research needs worldwide.

About HFS

- **INNOVATIVE**
- **INTREPID**
- **BOLD**

HFS is a leading global research and analysis firm trusted at the highest levels of executive leadership. Our mission is to help our clients—major enterprises, tech firms, and service providers—tackle challenges, make bold moves, and bring big ideas to life by arming them with accurate, visionary, and thought-provoking insight into issues that impact their business.

Our analysts and strategists have deep, real-world experience in the subjects they cover. They're respected for their independent, no-nonsense perspectives based on thorough research, demand-side data, and personal engagements with industry leaders.

We have one goal above all others: to propel you to success.



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