Everest Group Software Product Engineering Services PEAK Matrix® Assessment 2024

Focus on **DataArt**

April 2024

Background and introduction of the research

Software, the largest spend area in the product engineering space, continues to keep its upward march alive, albeit at a decelerated pace, primarily due to recessionary headwinds, geopolitical conflicts, talent constraints, and delayed decision-making at enterprises. Amidst the macroeconomic turbulence, certain themes continue to propel the software R&D forward – a shift toward platform-based business model, increased adoption of AI-/gen AI-augmented and secure products, a focus on sustainability, and an enhanced emphasis on customer and developer experiences.

This pivot toward these transformative themes, coupled with the current economic scenario, is profoundly changing enterprises' expectations from their service providers. From seeking a provider solely focused on offering engineering talent, enterprises now aspire to engage with strategic partners capable of delivering savings, speed, and innovation concurrently.

In this research, we present an assessment and detailed profiles of 43 engineering services providers featured on the Navigating the Platform Odyssey: Software Product Engineering Services PEAK Matrix® Assessment 2024.

Each provider profile provides a comprehensive picture of its service focus, key Intellectual Property (IP) / solutions, domain investments, and case studies. The assessment is based on Everest Group's annual RFI process for calendar year 2023, interactions with leading software product engineering services providers, client reference checks, and an ongoing analysis of the engineering services market.

The full report includes the profiles of the following 43 leading engineering services providers featured on the Software Product Engineering Services PEAK Matrix:

- **Leaders:** Accenture, Cognizant, Capgemini, EPAM, GlobalLogic, Globant, HCLTech, Infosys, Persistent Systems, TCS, and Wipro

- **Major Contenders:** ACL Digital, Apexon, Aspire Systems, Brillio, Ciklum, Cybage, DataArt, Encora, Happiest Minds, HARMAN DTS, Infogain, Mphasis, LTIMindtree, Ness Digital Engineering, N-iX, R Systems, Sigma Software, SoftServe, Softtek, Sonata Software, Tech Mahindra, TO THE NEW, UST, Xebia, and Xoriant

- **Aspirants:** Bounteous x Accolite, Daffodil Software, e-Zest Solutions, GS Lab | GAVS, Incedo, Kellton, and SOUTHWORKS

Scope of this report

Geography: Global

Providers: 43 leading engineering service providers

Services: Software product engineering services

Software product engineering services PEAK Matrix® characteristics

Leaders

Accenture, Cognizant, Capgemini, EPAM, GlobalLogic, Globant, HCLTech, Infosys, Persistent Systems, TCS, and Wipro

- The Leaders segment comprises broad-based IT-heritage engineering service providers that have developed dominant capabilities in offering end-to-end software product engineering services – from high-value product/platform management and development services to long-term and recurring workstreams around product/platform operations

- Their global delivery presence across onshore, nearshore, and offshore locations has helped them achieve the right balance of client proximity and cost advantages in servicing large-scale engagements

- Leaders boast of a comprehensive partner ecosystem comprising hyperscalers, data and analytics partners, other enterprise technology providers, and academia / open-source communities, which they leverage strategically for co-innovation and joint GTM motions

- These players have made significant investments in developing Intellectual Property (IP), establishing labs and Centers of Excellence (CoEs), and upskilling talent across pertinent themes such as cloud, data engineering, AI/ML, security, observability, FinOps, sustainability, testing, automation, and immersive reality

Major Contenders

ACL Digital, Apexon, Aspire Systems, Brillio, Ciklum, Cybage, DataArt, Encora, Happiest Minds, HARMAN DTS, Infogain, LTIMindtree, Mphasis, Ness Digital Engineering, N-iX, R Systems, Sigma Software, SoftServe, Softtek, Sonata Software, Tech Mahindra, TO THE NEW, UST, Xebia, and Xoriant

- Major Contenders comprise both IT-heritage firms as well as pure-play engineering service providers

- While these players have made significant investments in building software product engineering expertise, their service portfolio is not as extensive as that of Leaders (in terms of presence across the value chain, geographies, and industries)

- These players are actively leveraging emerging deal constructs such as product carve-out and Build-Operate-Transfer models, and have crafted dedicated service offerings for private equity firms – enabling diversification of engagement channels

- They are also focusing on expanding their delivery presence and leveraging partnerships more strategically to strengthen their software product engineering services play

Aspirants

Bounteous x Accolite, Daffodil Software, e-Zest Solutions, GS Lab | GAVS, Incedo, Kellton, and SOUTHWORKS

- Aspirants possess strong capabilities in specific technology areas and value chain elements; however, their global presence and ability to serve projects with wider scopes is limited

- They are making focused investments for enhancing their solutions portfolio, improving service enablement capabilities, and expanding their footprint and client base

Everest Group PEAK Matrix®

Software Product Engineering Services PEAK Matrix® Assessment 2024 | DataArt is positioned as a Major Contender and a Star Performer

Everest Group Software Product Engineering Services PEAK Matrix® Assessment 2024[1,2]

- Leaders
- Major Contenders
- ○ Aspirants
- ☆ Star Performers
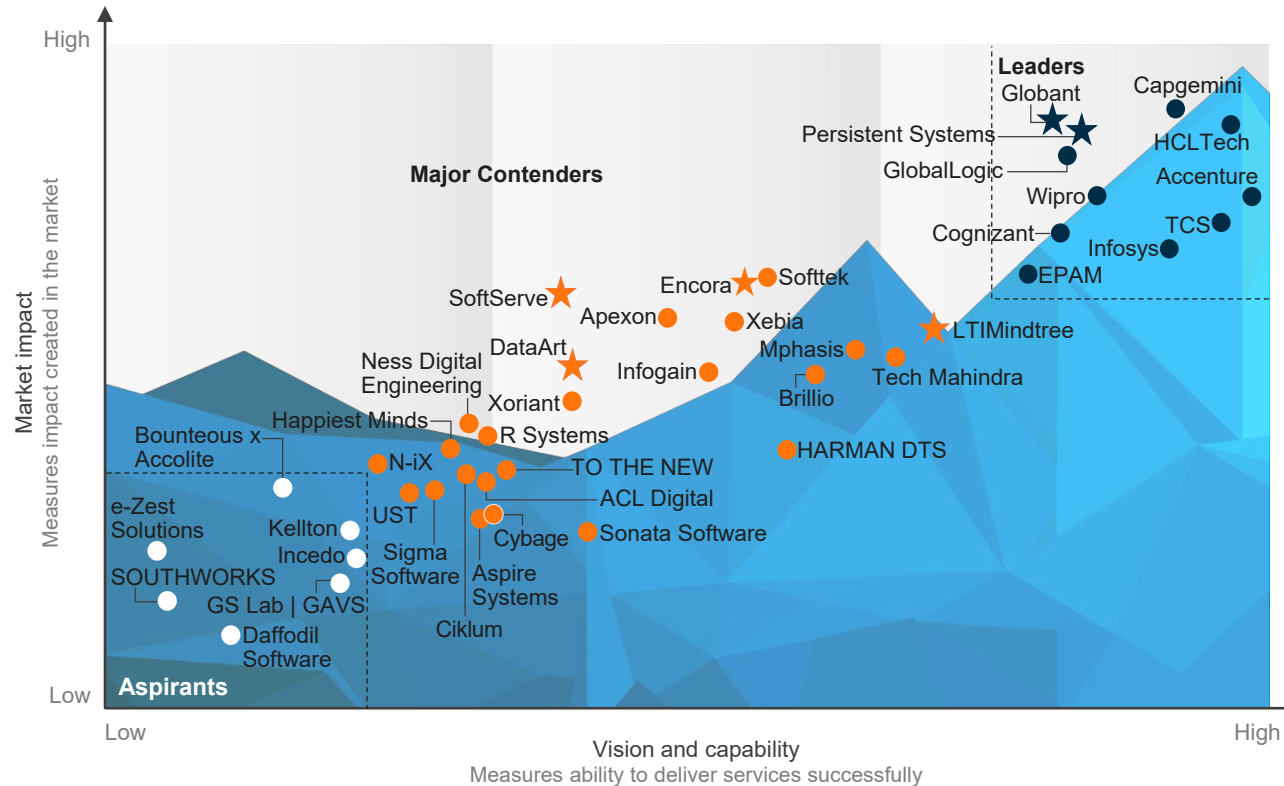
1 Assessments for Accenture, Cognizant, EPAM, Infosys, and Sonata Software exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interaction with buyers
2 Analysis for Accolite Digital is based on capabilities before its merger with Bounteous
Source: Everest Group (2024)

DataArt profile (page 1 of 4)
Overview

Vision and strategy
DataArt aims to help its clients in their digital transformation journeys and plans to enhance the business agility and value for its customers by shortening innovation cycles, enhancing domain expertise, and accelerating product development. It envisions improving its design, engineering, data, and cloud-native solution development capabilities to enable its customers to adapt to emerging technological disruptions within the market.

Software product engineering services revenue and YoY growth rate (H1 CY2023)

Revenue	<US$100 million	**US$100-200 million**	US$200-400 million	>US$400 million
Growth rate	**<10%**	10-20%	20-30%	>30%

Software product engineering services revenue and YoY growth rate (CY2022)

Revenue	<US$100 million	US$100-250 million	**US$250-500 million**	>US$500 million
Growth rate	<10%	10-20%	20-30%	**>30%**

FTE split by region (as of H1 CY2023)

● Onshore   ● Nearshore   ● Offshore

Software product engineering services revenue mix (CY 2022)

● Low (<10%)   ● Medium (10-30%)   ● High (>30%)

By geography

● North America	● United Kingdom	● Europe
● India	● Rest of Asia Pacific	● Rest of the World

By verticals

● Automotive	● BFSI	● Consumer electronics
● Energy and utilities	● Healthcare	● ISV and internet
● Media and entertainment	● Medical devices	● Retail
● Telecom	● Others	

By value chain elements

● Development	● Operations	● Management

By buyer size

● Small (annual client revenue <US$1 billion)	● Medium (annual client revenue US$1-5 billion)	● Large (annual client revenue US$5-10 billion)
● Very large (annual client revenue US$10-20 billion)	● Mega (annual client revenue >US$20 billion)	

DataArt profile (page 2 of 4)
Case studies and solutions

CASE STUDY 1

Helped a third-party logistics provider in developing a web portal

Business challenge
The client sought help to modernize its IT landscape, which was facing a lot of complexity due to modern technology and architecture updates.

Solution and impact
DataArt implemented a solution design, identified potential transformational aspects, and built a new cloud client web portal. This cloud-based portal allowed customers to manage all tasks related to order tracking and its supporting workflows.

CASE STUDY 2

Helped a Fortune 500 client to develop a corporate portal

Business challenge
The client wanted to develop a transformational corporate travel portal, aiming to find an innovative operating model for its contact center, and modernize and standardize the customer experience.

Solution and impact
DataArt delivered a contact center and inquiry management platform that enabled efficient communication between client and agents and provided access to traveler information, enabling agents to handle inquiries. This platform elevated business booking experience, provided personalization, created a scalable space to expand services, and facilitated cost benefits.

Proprietary solutions (representative list)

Solutions	Details
MIA DAMA	A methodology that offers a systematic approach to data management and analytical workloads
Connected Framework	A flexible framework that supports all stages of product management and facilitates framing, solution designing, elaboration, and product development
AutoML Accelerator	It is a solution that accelerates research and model selection phases, allowing simultaneous exploration of multiple models and helps in reducing time-to-market
Intelligent Document Processing Solution – DPML	A solution that streamlines document intake, facilitates image processing modernization, and reduces the overall task timeline
Human Terms Transformer (HTT)	A solution that simplifies data management and analysis to help understand and access complex databases
Atlas and Platform Accelerators	It is a solution that offers a structured approach to handle complex enterprise projects, manage multiple microservices, reduce the complexities of managing a large-scale application ecosystem, and enable smoother transformation and growth

DataArt profile (page 3 of 4)

Partnerships and investments

[R E P R E S E N T A T I V E   L I S T]

Key alliances and partnerships

Event name	Details
AWS	An advanced-tier partnership that helps in leveraging AWS expertise and technologies to offer consulting services in data migration and API gateways, along with dedicated travel and hospitality competencies
Microsoft/Azure	It is a gold-tier partnership that leverages Microsoft technologies to provide solutions and consulting services across application development, infrastructure, data, and AI. Additionally, this collaboration assists enterprises in developing, integrating, and optimizing Microsoft-based solutions to foster innovation and drive growth, including the use of Microsoft Fabric
Google Cloud Platform (GCP)	A partnership with GCP, involving certified experts in architecture, development, data, security engineering, and account management from DataArt, to enable effective utilization of GCP to guide clients through their cloud journey
Snowflake	A select-tier partnership that enhances expertise in building large-scale enterprise data and analytics solutions powered by Snowflake to provide scalability, enhance cross-cloud deployment capabilities, and strengthen its ecosystem of data and technology integrations
Salesforce	A partnership that provides Salesforce consulting services such as product implementation, integration, optimization, application development, lightning migration, and ongoing support
Adobe	A partnership that focuses on Adobe Experience Manager (AEM) and delivers personalized experiences across various domains while providing full cycle engineering services, including consulting and development, design, and maintenance of digital solutions

Recent software product engineering investments

Investment	Details
Ettyq	Investment in building a creative design agency that focuses on design thinking, results-driven strategies, customer experience, and providing end-to-end creative solutions
Lola Tech	Acquisition that provides talented resources and helps in expanding its presence in the UK and Southeast European regions
Software Nation	Acquisition to bolster market presence and delivery footprint in the Southeast European region

DataArt profile (page 4 of 4)

Everest Group assessment – Major Contender and Star Performer

Measure of capability: ◐ Low ● High

	Market impact			Vision and capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
◐	◐	◑	◑	◐	◔	◐	◐	◑

Strengths

- DataArt has a balanced portfolio across US and Europe markets and serves the entire software engineering value chain – development, operations, and management

- Its nearshore and onshore dominant delivery model helps with elevated client proximity. Its recent acquisitions of Lola Tech and Software Nation have further augmented its nearshore delivery presence in Romania and Serbia, respectively

- The firm has partnerships with major hyperscalers (AWS, GCP, and Azure) and garners a significant portion of its revenue from high-value cloud engineering engagements

- Customers have appreciated DataArt's ability to scale up/down resources quickly and for its price competitiveness, commitment to work, and deep technical expertise

Limitations

- While DataArt has a strong suite of AI-/ML-based IP across data engineering (data processing, analytics, and management), it has made limited investments around other areas such as testing, automation, FinOps, and observability

- It has limited engagements in emerging commercial constructs such as outcome-based pricing, revenue sharing, and risk reward pricing compared with peers

- The buyer portfolio for DataArt is skewed toward small and midsize enterprises; it has limited presence across large enterprises

- Clients expect DataArt to improve its domain expertise (specifically across healthcare and media and entertainment verticals) and be more proactive in pitching value-addition areas beyond defined engagement scopes
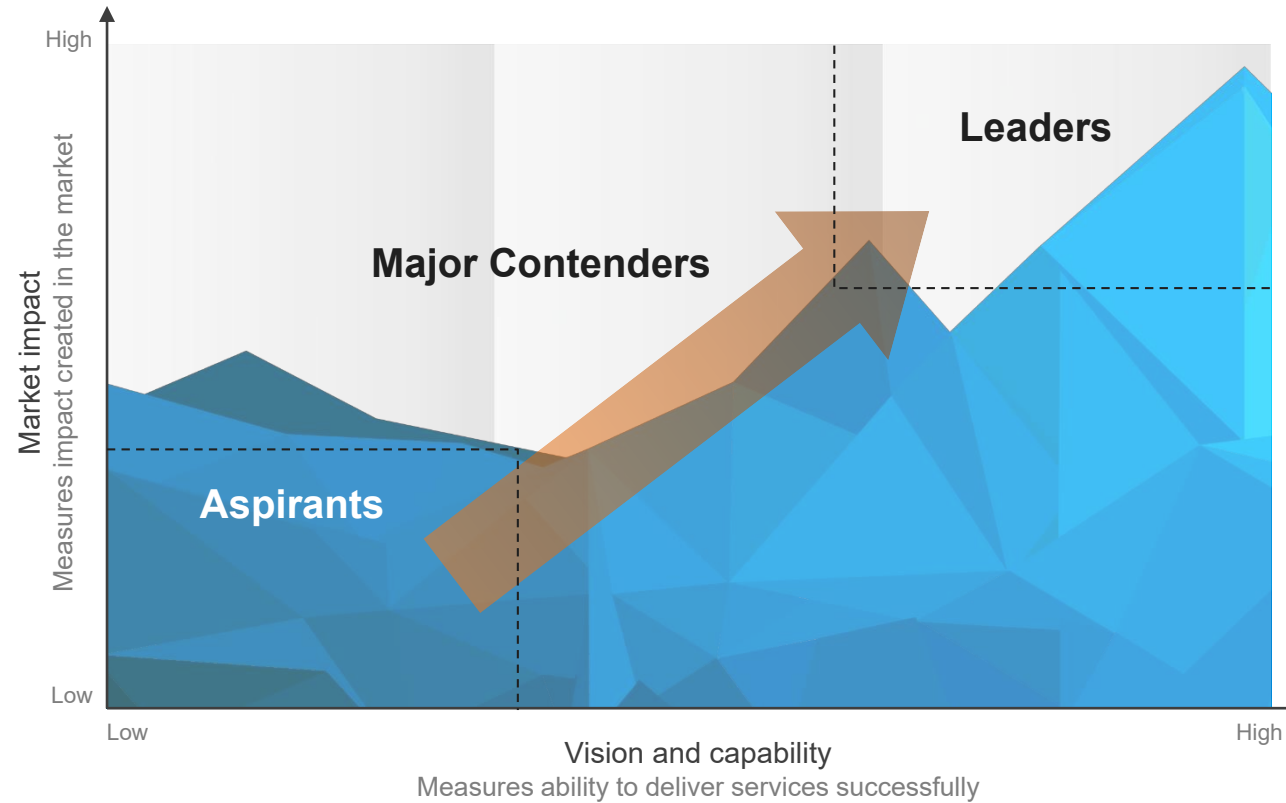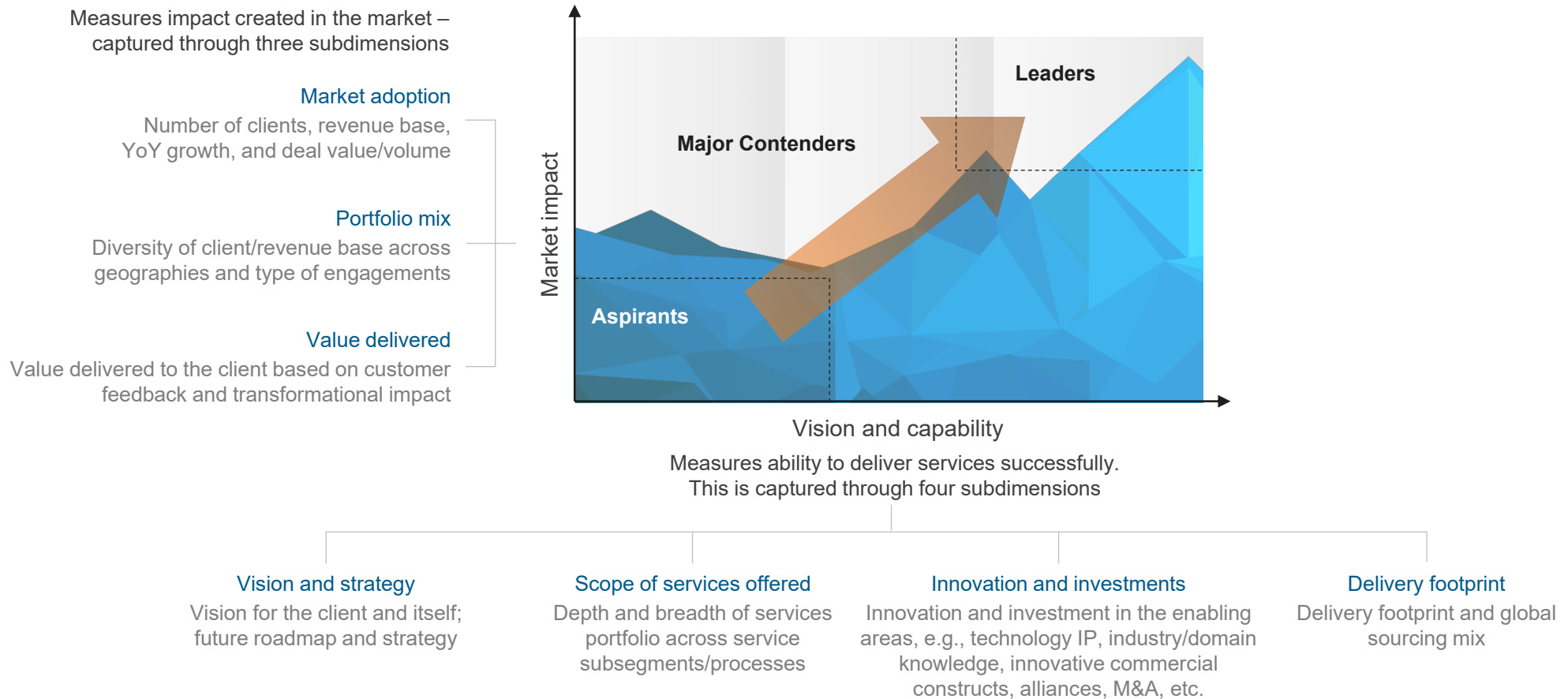
Appendix

PEAK Matrix framework

FAQs

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision and capability
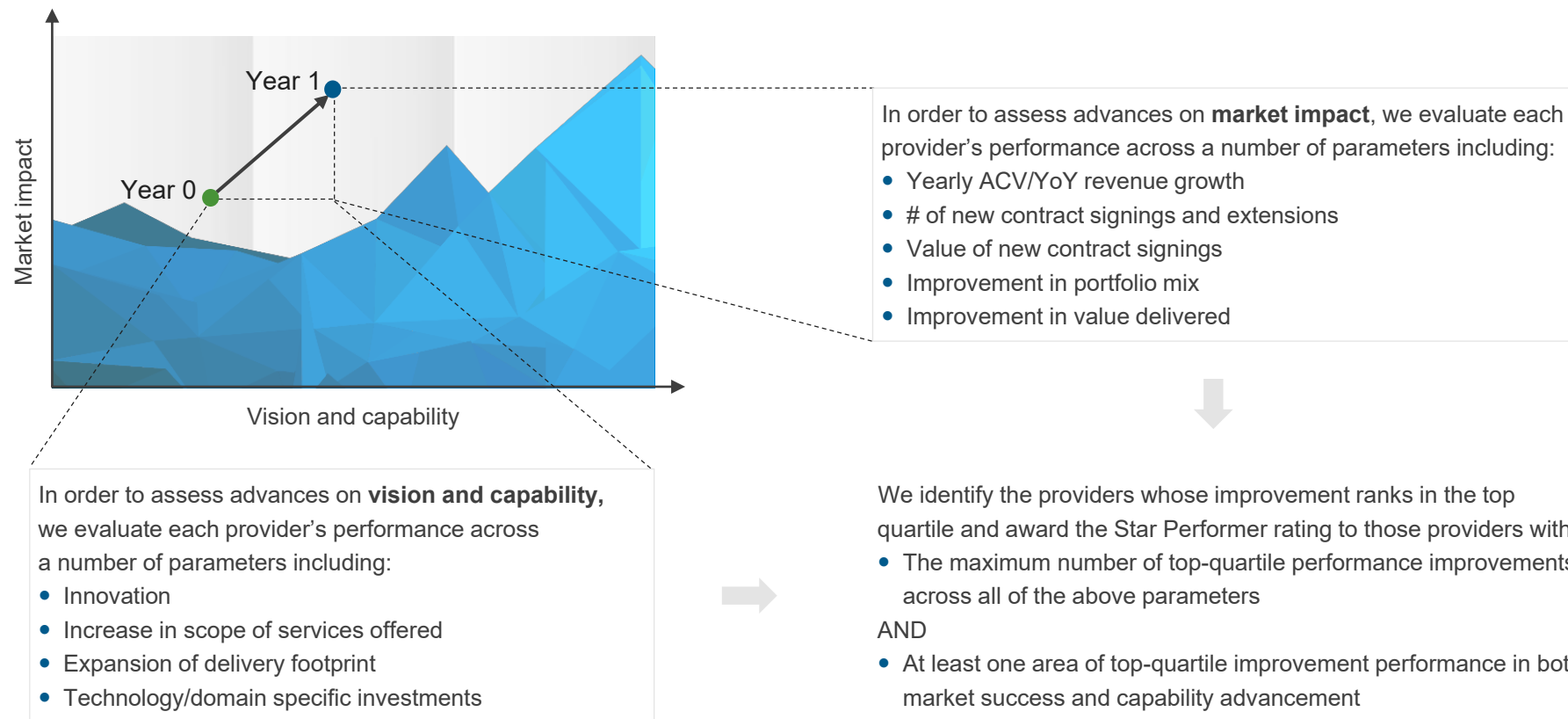
Everest Group PEAK Matrix

Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption
Number of clients, revenue base, YoY growth, and deal value/volume

Portfolio mix
Diversity of client/revenue base across geographies and type of engagements

Value delivered
Value delivered to the client based on customer feedback and transformational impact

Measures ability to deliver services successfully. This is captured through four subdimensions

Vision and strategy
Vision for the client and itself; future roadmap and strategy

Scope of services offered
Depth and breadth of services portfolio across service subsegments/processes

Innovation and investments
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

Delivery footprint
Delivery footprint and global sourcing mix

Everest Group confers the Star Performer title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology

Everest Group selects Star Performers based on the relative YoY improvement on the PEAK Matrix

In order to assess advances on **market impact**, we evaluate each provider's performance across a number of parameters including:

- Yearly ACV/YoY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability,** we evaluate each provider's performance across a number of parameters including:

- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the providers whose improvement ranks in the top quartile and award the Star Performer rating to those providers with:

- The maximum number of top-quartile performance improvements across all of the above parameters

AND

- At least one area of top-quartile improvement performance in both market success and capability advancement

The Star Performer title relates to YoY performance for a given provider and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Q: Does the PEAK Matrix® assessment incorporate any subjective criteria?

A: Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results based on our market experience, buyer interaction, and provider/vendor briefings.

Q: Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?

A: No. The PEAK Matrix highlights and positions only the best-in-class providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition.

Q: What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?

A: A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

Q: What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

A: Enterprise participants receive summary of key findings from the PEAK Matrix assessment

- For providers
  - The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
  - In addition, it helps the provider/vendor organization gain brand visibility through being in included in our research reports

Q: What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?

A: Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:

  - Issue a press release declaring positioning; see our citation policies
  - Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
  - Use PEAK Matrix badges for branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)

- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with Everest Group; please contact your CD or contact us

Q: Does the PEAK Matrix evaluation criteria change over a period of time?

A: PEAK Matrix assessments are designed to serve enterprises' current and future needs. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality and to serve enterprises' future expectations.

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Dallas (Headquarters)	Bangalore	Delhi	London	Toronto
info@everestgrp.com	india@everestgrp.com	india@everestgrp.com	unitedkingdom@everestgrp.com	canada@everestgrp.com
+1-214-451-3000	+91-80-61463500	+91-124-496-1000	+44-207-129-1318	+1-214-451-3000

Website
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