

Multisourcing Service Integration 2022–2023 RadarView

Standardizing processes in a
multivendor environment

May 2023

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About the Multisourcing Service Integration 2022–2023 RadarView



1

Service providers are enhancing their integration capabilities and incorporating various services specific to vendor management and governance, such as risk management and compliance. The growing enterprise demand for multisourcing service integration is managing complexities in multivendor environments and optimizing costs.

2

Avasant evaluated 32 providers using a rigorous methodology across the key dimensions of practice maturity, partner ecosystem, and investments and innovation. Through its analysis, Avasant recognized 20 providers that brought the most value to the market over the last 12 months.

3

The Multisourcing Service Integration 2022–2023 RadarView aims to provide a view into the leading service providers providing MSI services. Based on our methodology, these service providers are categorized into four broad segments, including leaders, innovators, disruptors, and challengers.

4

To enable decision-making, Avasant has provided an overview of the major service providers in the industry. This includes a list of their top enterprise clients, customer success stories, key IP assets/solutions and partnerships, and major industry verticals. This is supported by an analyst's take on the provider across the three key dimensions as defined in point 2 above.

Note: Please refer to Avasant Multisourcing Service Integration 2022-2023 Market Insights for demand-side trends



Executive summary

Defining multisourcing service integration

Multisourcing service integration (MSI)

It involves end-to-end integration, management, and governance of all services provided by multiple vendors to improve visibility and accountability and realize the full value of outsourced services. These services include cloud, security, network, end-user computing, application development, support and maintenance, and other managed services necessary for companies to achieve their business outcomes and strategic objectives. On many occasions, service integration and management (SIAM) and MSI are interchangeably used, enabling organizations to create a unified view through the integration and management of multiple suppliers.

Key dimensions

- **Strategy and consulting:** Understanding the business requirements and associated risks, undertaking assessments, and creating an achievable MSI road map
- **Integration:** Enabling integration among organizations and people, value streams and processes, technology, tools, and data, and vendor services
- **Implementation and managed services:** Designing prototypes, deployment, training, testing, and rollout; supporting incident management; and monitoring for performance and continuous improvement
- **Operations agreement:** Determining business outcomes and experiences to establish appropriate SLAs, KPIs, XLAs, and OLAs

Key enterprise MSI trends shaping the market

Overcoming multivendor environment-related challenges

- In a multivendor environment, enterprises face challenges such as lack of end-to-end visibility, disparate governance, a higher total cost of ownership (TCO), prolonged supplier contract cycles, supplier conflicts, subpar customer experience, and inconsistent service delivery.
- The adoption of MSI enables enterprises to integrate multiple services, standardize processes, improve process visibility, and enhance service quality and supplier collaboration.

Financial services and manufacturing industries leading the adoption of MSI

- Financial institutions operate in multiple locations with different vendors and are subject to strict regulatory, security, and data privacy standards. This has led to a high rate of adoption of MSI services in financial services.
- MSI benefits manufacturing companies in many ways, such as improving operational efficiency, accessing expertise for innovation and product development, and mitigating the risk of supply chain disruptions due to geopolitical or environmental factors.

Leveraging AI/ML to streamline processes

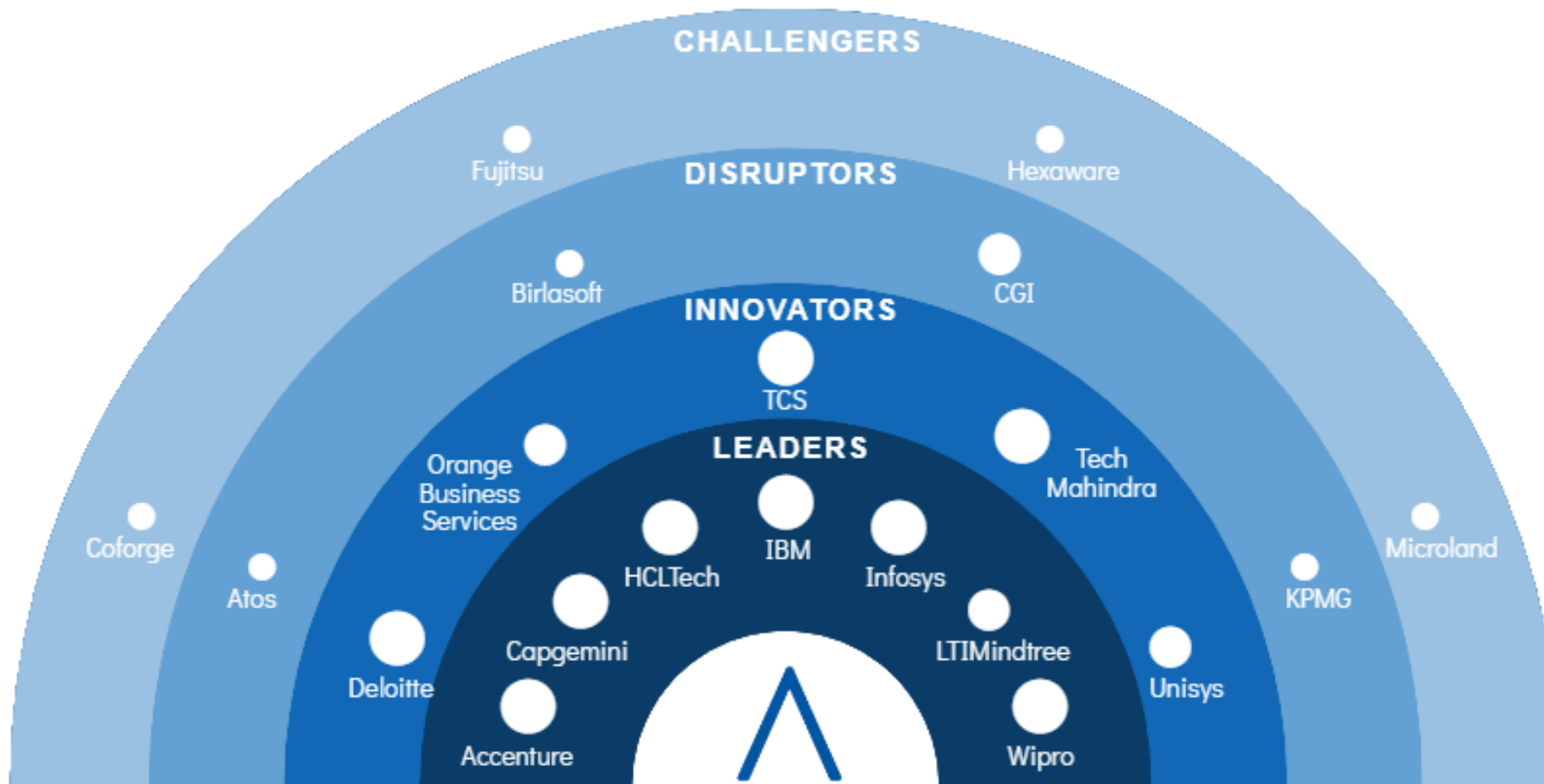
- Organizations utilize AI/ML to integrate suppliers' systems through plug-and-play capabilities and orchestrate end-to-end processes.
- They also integrate application infrastructure with IT service management tools to enhance end-to-end operational visibility, gain real-time insights, and have faster decision-making processes.

Enterprises scouting for providers with robust governance capabilities

- Companies depend on governance capabilities to ensure that all vendors are aligned with enterprise goals and objectives and effectively manage risks while maintaining high quality and service levels.
- Robust governance capabilities help enterprises manage vendor relationships, streamline communication, and ensure vendors meet contractual obligations. This, in turn, leads to improved efficiency, reduced costs, and enhanced performance across the company.

Avasant recognizes 20 top-tier providers supporting the enterprise adoption of MSI

Practice maturity 

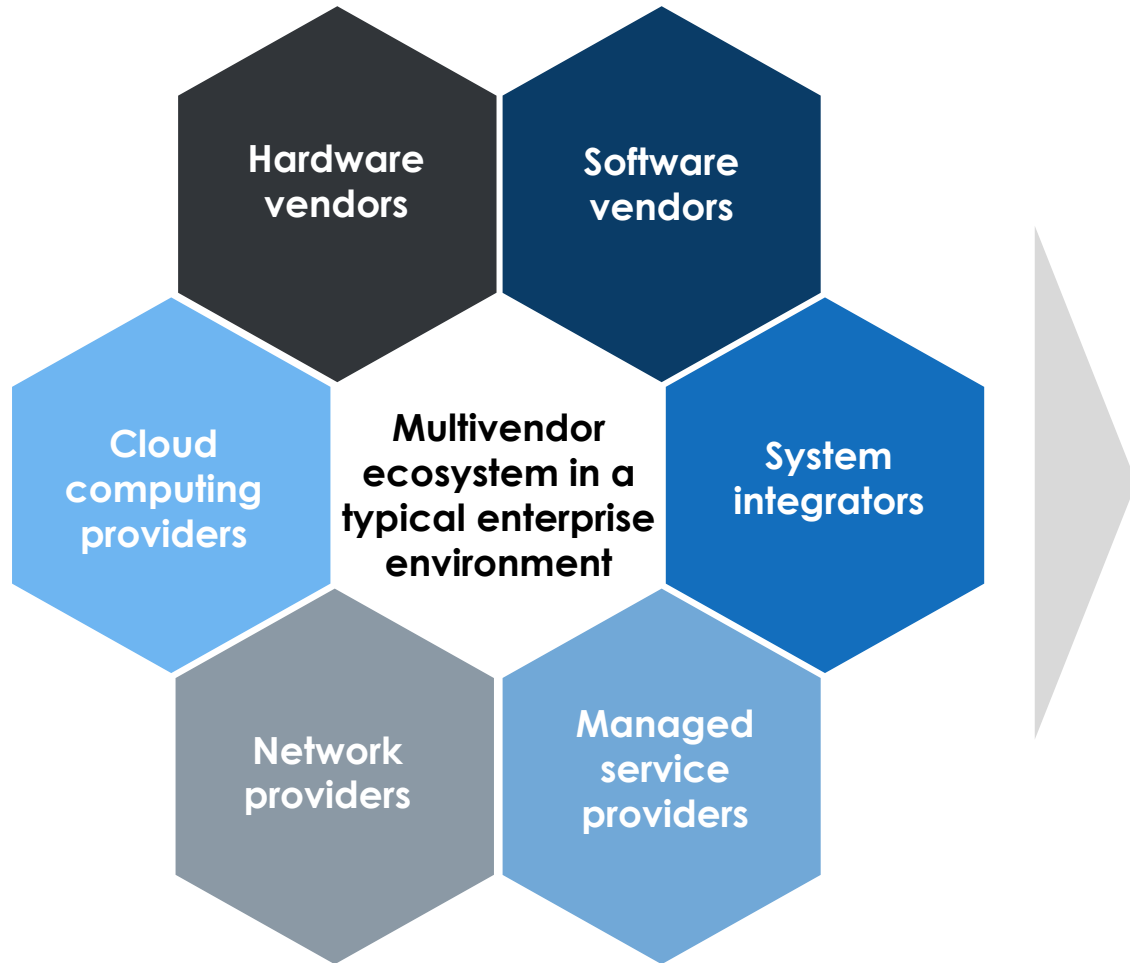




State of the market

Managing multiple suppliers and service providers has become a challenging task for many organizations

Multivendor ecosystem of an enterprise environment and the challenges arising from it:



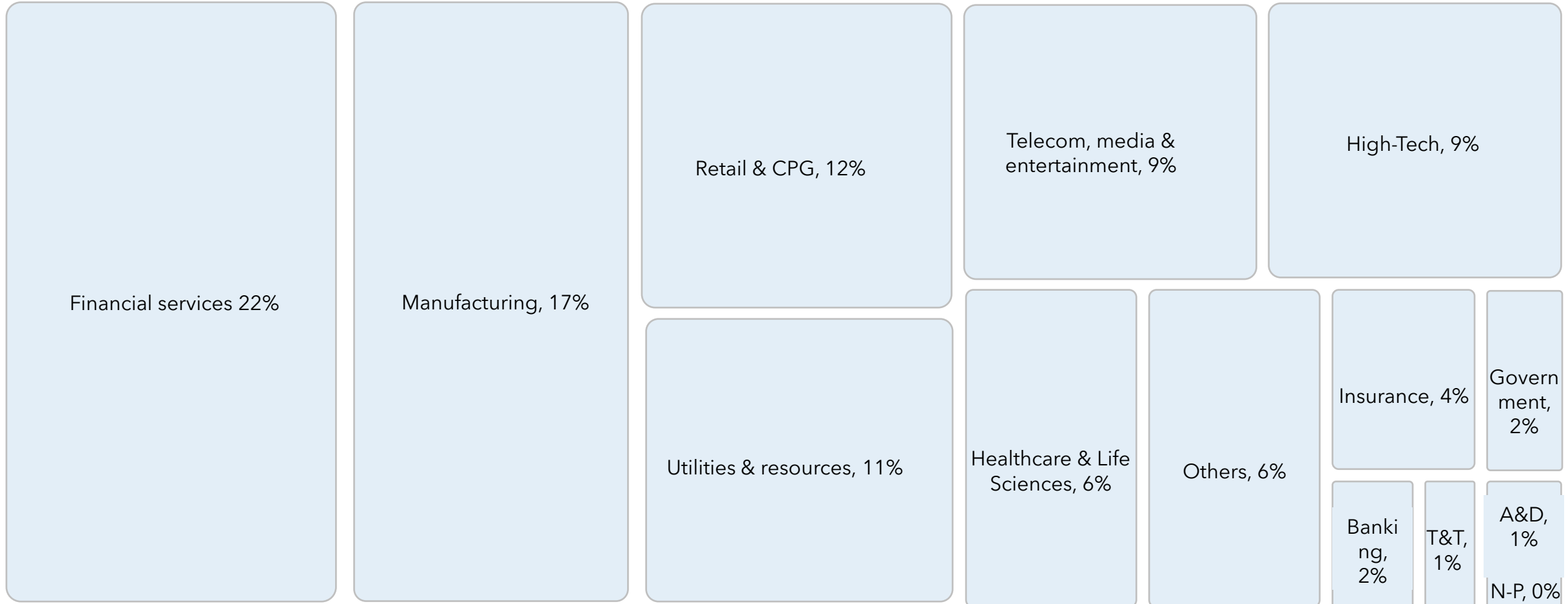
-  **Lack of end-to-end visibility**
-  **Disparate governance**
-  **Prolonged supplier contract cycles**
-  **Higher TCO**
-  **Supplier conflicts**
-  **Inconsistent service delivery**
-  **Subpar customer experience**

Around 40% of MSI traction is primarily seen among the financial services and manufacturing industries



MSI is popular in finance due to regulatory and operational challenges, and in manufacturing for efficiency, innovation, and risk management in complex supply chains.

Percentage of revenue from different verticals for MSI services



Note: A & D refers to aerospace and defense, T & T refers to travel & transportation, N--P refers to non-profits

Source: Avasant MSI Services RadarView Survey, January-March 2023

Integrating multiple services and improving process visibility emerge as top priorities for MSI/SIAM implementation

Integrate multiple services

An APAC-based national border security agency integrated multiple services in its IT sourcing model to improve service delivery and flexibility of its IT landscape. It utilized a SIAM Managed Services framework for ITIL process transformation.

Enhance service quality

A European dairy company assessed its service management functioning in a multivendor environment to enhance its service quality and reduce the total cost of operations. It performed a gap analysis to achieve desired ITSM function.



Improve process visibility

Nynas AB modernized its enterprise IT architecture to enable process efficiencies across business units. It improved transparency across the value chain and achieved flexibility to develop new business models.

Standardize processes

A US-based pet hospital leveraged a service management and governance framework to enhance its ITSM capabilities. This resulted in process standardization and reduced major incidents by 25% and mean time to respond by 40%.

Enhance supplier collaboration

An Indiana-based financial services company implemented core ITSM processes to improve supplier collaboration. It leveraged a service management framework to enable 24 ITIL processes and enhance reporting capabilities.

Increased focus on governance capabilities to enhance service delivery and unify customer experience

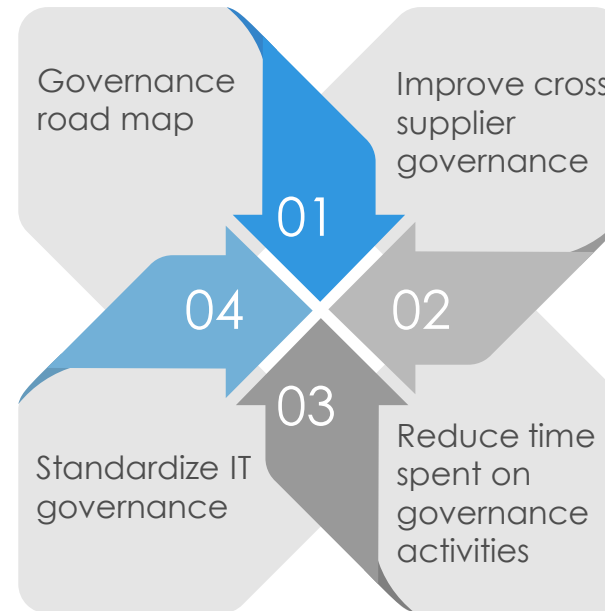
Enterprises are engaging with service providers to define governance road map, standardize IT governance, improve cross-supplier governance, and reduce the time spent on governance activities.

01

- An IT company defined and implemented a road map governance model, quality assurance structure, and strategy to enhance efficiency with reduced risk and costs.
- This resulted in improved visibility and collaboration among different towers.

04

- A food supply chain market implemented an ITSM tool, and setup a service management office, to standardize IT governance.
- This automated business and IT processes and unified customer experience.



02

- A US-based annuities and life insurance company implemented a hybrid SIAM model for to improve cross-supplier governance.
- Adopting ITSM processes helped the company with improved end-user satisfaction.

03

- A technology company established a service integration capability and a governance structure to reduce time spent on governance.
- It improved end-user satisfaction by over 92%.

Enterprise customers are leveraging digital platforms powered by AI/ML and the cloud to enhance operational visibility



These platforms enable enterprises to integrate disparate supplier systems, enhance operational visibility, and extract insights across the infrastructure.



Integrate suppliers' systems

Enterprises leverage the HCLTech's DRYiCE Connect platform to seamlessly integrate suppliers' systems through plug-and-play capability and automatically orchestrate the end-to-end process.



Enhance end-to-end operations visibility

Companies integrate the application infrastructure with ITSM tools using Deloitte's OperateEdge™ to enhance end-to-end operations visibility. The solution uses AI/ML to provide predictive service management.



Gain real-time insights

Organizations leverage Coforge's Helios platform which offers AI/ML tools to provide a 360-degree view and gain insights across infrastructure, applications, and server health.

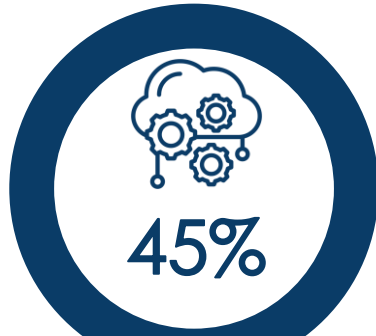


Faster decision-making

The Infosys DevSecOps platform enables quicker decision-making for businesses by providing them with an AI/ML solution in a product-centric organization.

Enterprises are increasingly leveraging MSI services of the existing providers who help manage multitowers

Enterprise engagement model with service providers

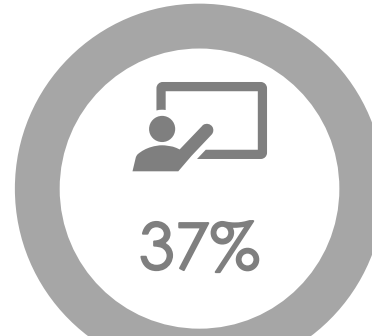


As a provider of MSI services

Capgemini 



- Consolidated the medical care IT operations of the US Government Defense Health Agency.
- Deployed a SIAM operating model to manage IT for over 1,000 healthcare facilities.

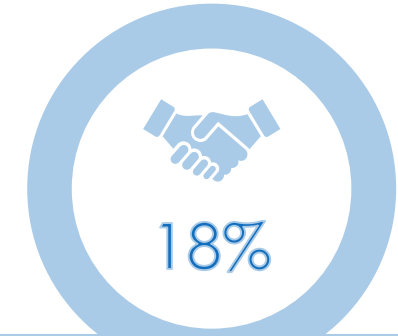


As a service integration advisor or consultant

IBM



- Reengineered the IT management processes of the UK Department for Work & Pensions.
- This reduced incidents by 73% and saved a million user hours.



Aligning MSI with the delivery of a service tower

FUJITSU

Lowell 

- Designed an operating model for Lowell to handle its IT structure across nine countries.
- This led to cost optimization, enabled audit and compliance assurance, and provided AI insights.

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Wipro profile

Wipro: RadarView profile



- Practice maturity ★★★★★
- Partner ecosystem ★★★★★
- Investments & innovation ★★★★★

Offers ServiceNxt™, an advanced analytics platform for actionable data insights, to enable data integration with service management tools.

| Practice overview | | Client case studies | | | | | | | | | | | | | | | |
|--|--|--|---|---|---------------------|---------|--------------------|------------|----------------------------|-----------|-----------|---------------|------------|--------------|--------------------------------|-------------------------|-----------------------|
| <ul style="list-style-type: none"> Practice size: 5,000+ Active clients: 50+ Certified/trained resources: 500+ ServiceNow Delivery highlights: ServiceNow CoE | | <ul style="list-style-type: none"> Decentralized operations across regions and disintegrated the provider ecosystem of a Europe-based telecom company to standardize processes. The digital transformation initiatives eliminated working in silos, elevated service quality, and ensured business agility. Assessed the service management functioning in a multivendor environment for a European dairy company to enhance service quality and reduce the total cost of operations. It performed gap analysis and helped the company to achieve desired ITSM function. Migrated from a traditional IT model to a robust operating and governance model for an American makeup multinational company to enhance its digital capabilities. This resulted in increased IT efficiency and a 10%–15% reduction in incident volume. Transformed a Europe-based engineering company's siloed IT operations environment to enable collaborative working in a multivendor environment. This resulted in enhanced customer experience and improved governance. | | | | | | | | | | | | | | | |
| <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid gray; padding: 5px; text-align: center;"> <p>>20%</p> <p>MSI services active client growth, 2022</p> </div> <div style="border: 1px solid gray; padding: 5px; text-align: center;"> <p>30%–40%</p> <p>MSI services revenue YOY growth, 2022</p> </div> </div> | | | | | | | | | | | | | | | | | |
| Key IP and assets | | Key partnerships | Sample clients | Industry coverage | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> Process Automation Assessment Kit: An accelerator for identifying areas across IT infrastructure library (ITIL) processes for automation User Experience Monitoring: An accelerator for monitoring user experience and predicting how it is impacting technology Service catalog design framework: It is used to discover and build a service catalog through its centralized IT service portfolio and services list | | <p>Solution providers</p> | <ul style="list-style-type: none"> A Europe-based telecom company A Europe-based engineering company A European dairy company AstraZeneca An American makeup multinational company Aéroports de Montréal HM Treasury Novartis Takeda | <table border="1"> <tr><td>Aerospace & defense</td></tr> <tr><td>Banking</td></tr> <tr><td>Financial services</td></tr> <tr><td>Government</td></tr> <tr><td>Healthcare & life sciences</td></tr> <tr><td>High-tech</td></tr> <tr><td>Insurance</td></tr> <tr><td>Manufacturing</td></tr> <tr><td>Nonprofits</td></tr> <tr><td>Retail & CPG</td></tr> <tr><td>Telecom, media & entertainment</td></tr> <tr><td>Travel & transportation</td></tr> <tr><td>Utilities & resources</td></tr> </table> | Aerospace & defense | Banking | Financial services | Government | Healthcare & life sciences | High-tech | Insurance | Manufacturing | Nonprofits | Retail & CPG | Telecom, media & entertainment | Travel & transportation | Utilities & resources |
| Aerospace & defense | | | | | | | | | | | | | | | | | |
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| Utilities & resources | | | | | | | | | | | | | | | | | |

Darker color indicates higher industry coverage through digital services ●●●●●

Analyst insights

Practice maturity



- Wipro provides end-to-end multisourcing integration services, from strategy and consulting to implementation and managed services. The strategy and consulting services include evaluating supplier ecosystems across the operating model, governance, process, tools and technology, interactions, and metrics using the service integration and management (SIAM) assessment framework and toolkit.
- Wipro's SIAM offering uses various service management tools, including ServiceNow and BMC Remedy, to help IT teams proactively support enterprise operations. It tracks and reports end-user issues for various aspects of service management, such as incident, change, problem, release management, asset management, and configuration management.
- It has developed multiple tools, frameworks, and accelerators to provide MSI services. Its catalog design framework aims to build a centralized list of services for customer use, including development, deployment, and retirement services from the IT service portfolio.
- It offers ServiceNxt, an advanced analytics platform for actionable data insights, to enable data integration with service management tools.

Partner ecosystem



- Wipro collaborated with ServiceNow and launched @now Studio, a cloud-based aPaaS offering with AI and automation capabilities, to help enterprises in their digital transformation initiatives, elevate the employee experience, and enhance operational productivity.
- It has partnered with Splunk and Dynatrace to monitor business and IT applications, IT infrastructure, network, and security environments.
- It leverages BMC Software's TrueSight Orchestration to create a centralized automation platform for the banking industry that orchestrates end-to-end processes across the complete ITSM environment. Its BMC CoE is used for beta testing and development of accelerators that help reduce the time to market the solutions.

Investments and innovation



- Wipro has built a SIAM 3.0 framework to include new offerings across cloud service management and business SIAM, including HR and supply chain business towers. The intent behind the offering is to deliver greater supplier management synergy. It will increase its investment in SIAM for Digital, SIAM for Business, and SIAM for Cloud to provide combined SIAM services to IT and non-IT business functions.
- It has built a dedicated practice focusing on people and assets. This practice aims to create a future point of view on SIAM, share best practices in SIAM, and enable analyst interactions.
- It has built an assessment toolkit to quickly diagnose newly onboarded customers' SIAM environment.

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Appendix:
About RadarView

Avasant's Multisourcing Service Integration RadarView assesses service providers across three critical dimensions:



Practice maturity

- This dimension considers the current state of a provider's MSI practice in terms of its strategic importance for the provider, the maturity of its offerings and capabilities, and client engagement.
- The crucial aspects in this dimension are the width and depth of the client base, usage of proprietary/outsourced tools and platforms, and quality of talent and execution capabilities.

Partner ecosystem

- This dimension assesses the nature of the ecosystem partnerships of the provider, objectives of the partnerships (codevelopment and co-innovation), and its engagement with solutions providers, startup communities, and industry associations.
- Vital aspects in this dimension are evaluation of joint development programs around offerings, go-to-market approaches, and the overall depth in partnerships.

Investments and innovation

- This dimension measures the strategic direction of investments and resultant innovations in the offerings and commercial model and how it aligns with the future direction of the industry.
- The critical aspects of this dimension include both organic and inorganic investments toward capability and offering growth, technology development, and human capital development, along with innovative solutions developed with strategic partners.

Avasant based its analysis on several sources:

Public disclosures Publicly available information such as Securities and Exchange Commission (SEC) filings, annual reports, quarterly earnings calls, and executive interviews and statements

Market interactions Discussions with enterprise executives leading digital initiatives and influencing service provider selection and engagement

Provider inputs Inputs collected in December 2022 through an online questionnaire and structured briefings in January–March 2023

Of the 32 service providers assessed, the final 20 featured in the Multisourcing Service Integration RadarView for 2022–2023 are:



Note: Assessments for Accenture, Atos, Birlasoft, CGI, Coforge, Deloitte, Fujitsu, Hexaware, IBM, KPMG, Microland, Tech Mahindra, and TCS were conducted based on public disclosures and market interactions only.

Reading the RadarView

Avasant has recognized service providers in four classifications:



Leaders show consistent excellence across all key dimensions of the RadarView assessment (practice maturity, partner ecosystem, and investments and innovation) and have had a superior impact on the marketplace. These providers have shown true creativity and innovation and have established trends and best practices for the industry. They have proven their commitment to the industry and are recognized as thought leaders in their space, setting the standard for the rest in the industry to follow. Leaders display a superior quality of execution and a reliable depth and breadth across verticals.



Innovators show a penchant for reinventing concepts and avenues, changing the very nature of how things are done from the ground up. Unlike leaders, innovators have chosen to dominate a few select areas or industries and distinguish themselves based on superior innovation. These radicals are always hungry to create pioneering advancements in the industry and are actively sought after as trailblazers, redefining the rules of the game.



Disruptors enjoy inverting established norms and developing novel approaches that invigorate the industry. These providers choose to have a razor-sharp focus on a few specific areas and address those at a high level of granularity and commitment, which results in tectonic shifts. While disruptors might not have the consistent depth and breadth across many verticals like leaders or the innovation capabilities of innovators, they exhibit superior capabilities in their areas of focus.



Challengers strive to break the mold and develop groundbreaking techniques, technologies, and methodologies on their way to establishing a unique position. While they may not have the scale of the providers in other categories, challengers are eager and nimble and use their high speed of execution to great effect as they scale heights in the industry. Challengers have a track record of delivering quality projects for their most demanding Global 2000 clients. In select areas and industries, challengers might have capabilities that match or exceed those of the providers in other categories.

Key contacts



A. Tarun
Senior Analyst
a.tarun@avasant.com



Gaurav Dewan
Research Director
gaurav.dewan@avasant.com



James Lee
Principal
james.lee@avasant.com



Matthew Barlow
Partner
matthew.barlow@avasant.com



Swapnil Bhatnagar
Senior Research Director
swapnil.bhatnagar@avasant.com

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